



CERTIFICATE OF NEED APPLICATION

SW Kansas City Senior Community

new 66-Bed Memory Care and Assisted Living Facility

Project #5488 RS

submitted to

Missouri Health Facilities Review Committee



Certificate of Need Program

NEW OR ADDITIONAL LONG TERM CARE BED APPLICATION*

Applicant's Completeness Checklist and Table of Contents

Project Name: SW Kansas City Senior Community

Project No: 5488 RS

Project Description: new 66-bed assisted living facility

Done Page N/A Description

Divider I. Application Summary:

- ☒ 6 ☐ 1. Applicant Identification and Certification (Form MO 580-1861).
- ☒ 7-9 ☐ 2. Representative Registration (Form MO 580-1869).
- ☒ 10-13 ☐ 3. Proposed Project Budget (Form MO 580-1863) and detail sheet with documentation of costs.

Divider II. Proposal Description:

- ☒ 19-22 ☐ 1. Provide a complete detailed project description.
- ☒ 23 ☐ 2. Provide a timeline of events for the project, from the issuance of the CON through project completion.
- ☒ 24 ☐ 3. Provide a legible city or county map showing the exact location of the proposed facility.
- ☒ 25 ☐ 4. Provide a site plan for proposed project.
- ☒ 26 ☐ 5. Provide preliminary schematic drawings for the proposed project.
- ☒ 27 ☐ 6. Provide evidence that architectural plans have been submitted to the Department of Health and Senior Services.
- ☒ 15 ☐ 7. Provide the proposed gross square footage.
- ☒ 28-41 ☐ 8. Document ownership of the project site, or provide an option to purchase.
- ☒ 42-43 ☐ 9. Define the community to be served.
- ☒ 44-45 ☐ 10. Provide 2020 population projections for the 15-mile radius service area.
- ☒ 16 ☐ 11. Identify specific community problems or unmet needs the proposal would address.
- ☒ 16 ☐ 12. Provide historical utilization for each of the past three (3) years and utilization projections through the first three (3) full years of operation of the new LTC beds.
- ☒ 17 ☐ 13. Provide the methods and assumptions used to project utilization.
- ☒ 17 ☐ 14. Document that consumer needs and preferences have been included in planning this project and describe how consumers had an opportunity to provide input.
- ☒ 46-47 ☐ 15. Provide copies of any petitions, letters of support or opposition received.

Divider III. Service Specific Criteria and Standards:

- ☐ -- ☒ 1. For ICF/SNF beds, address the population-based bed need methodology of fifty-three (53) beds per one thousand (1,000) population age sixty-five (65) and older.
- ☒ 49 ☐ 2. For RCF/ALF beds, address the population-based bed need methodology of twenty-five (25) beds per one thousand (1,000) population age sixty-five (65) and older.
- ☐ -- ☒ 3. For LTCH beds, address the population-based bed need methodology of one-tenth (0.1) bed per one thousand (1,000) population.
- ☒ 49, 53 ☐ 4. Document any alternate need methodology used to determine the need for additional beds such as Alzheimer's, mental health or other specialty beds.
- ☐ -- ☒ 5. For any proposed facility which is designed and operated exclusively for person with acquired human immunodeficiency syndrome (AIDS) provide information to justify the need for the type of beds being proposed.
- ☐ -- ☒ 6. If the project is to add beds to an existing facility, has the facility received a Notice of Noncompliance within the last 18 months as a result of a survey, inspection or complaint investigation? If the answer is yes, explain.

Divider IV. Financial Feasibility Review Criteria and Standards:

- ☒ 55 ☐ 1. Document that the proposed costs per square foot are reasonable when compared to the latest "RS Means Construction Cost data".
- ☒ 50, 60 ☐ 2. Document that sufficient financing is available by providing a letter from a financial institution or an auditors statement indicating that sufficient funds are available.
- ☒ 61 ☐ 3. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) for the latest three (3) years, and projected through three (3) full years beyond project completion.
- ☒ 56 ☐ 4. Document how patient charges are derived.
- ☒ 56 ☐ 5. Document responsiveness to the needs of the medically indigent.
- ☐ -- ☒ 6. For a proposed new skilled nursing or intermediate care facility, what percent of your admissions would be Medicaid eligible on the first day of admission or become Medicaid eligible within 90 days of admission?
- ☐ -- ☒ 7. For an existing skilled nursing or intermediate care facility proposing to add beds, what percent of your admissions is Medicaid eligible on the first day of admission or becomes Medicaid eligible within 90 days of admission?

**Use for RCF/ALF, ICF/SNF and LTCH beds*

DIVIDER I: Application Summary

Application Summary shall include the completed forms in the following order:

1. Applicant Identification and Certification (Form MO 580-1861)

*(see **Attachment 2**, preceded by amended Letter of Intent, see **Attachment 1**)*

2. Representative Registration (Form MO 580-1869)

*(see **Attachments 3a thru 3c**)*

3. Proposed Project Budget (Form MO 580-1863) and detail sheet

*(see **Attachments 4a thru 4q**)*

DIVIDER I: Attachments

**LETTER OF INTENT**

| | | |
|---|---|---|
| 1. Project Information <small>(Attach additional pages as necessary to identify multiple project sites.)</small> | | |
| Title of Proposed Project SW Kansas City Senior Community - new 66-bed assisted living facility | | County Jackson |
| Project Address <small>(Street/ City/ State/ Zip Code or Plat map if no address)</small> West corner of Missouri Highway 150 and Wyandotte Street, Kansas City, MO 64145 | | |
| 2. Applicant Identification <small>(Attach additional pages as necessary to list all owners and operators.)</small> | | |
| List All Owner(s): <small>(List corporate entity.)</small> | Address <small>(Street/ City/ State/ Zip Code)</small> | Telephone Number |
| Southwest Kansas City Senior Community, LLC | 5051 S. National Ave., Suite 4-100 Springfield, MO 65810 | 417-300-4050 |
| | | |
| List All Operator(s): <small>(List entity to be licensed or certified.)</small> | Address <small>(Street/ City/ State/ Zip Code)</small> | Telephone Number |
| Southwest Kansas City Senior Community, LLC | 5051 S. National Ave., Suite 4-100 Springfield, MO 65810 | 417-300-4050 |
| | | |
| 3. Type of Review | | 4. Project Description <small>(Information should be brief but sufficient to understand scope of project.)</small> |
| Full Review: <input type="checkbox"/> New Hospital <input checked="" type="checkbox"/> New/Add LTC Beds* <input type="checkbox"/> New/Add LTCH Beds/ Eqpt. <input type="checkbox"/> New/ <input type="checkbox"/> Additional Equipment <input type="checkbox"/> Replacement Equipment not previously approved Expedited Review: <input type="checkbox"/> 6-mile RCF/ALF Replacement <input type="checkbox"/> 15-mile LTC Replacement <input type="checkbox"/> 30-mile LTC Replacement <input type="checkbox"/> LTC Bed Expansion <input type="checkbox"/> LTC Renov./ Modernization <input type="checkbox"/> Equipment Replacement previously approved Non-Applicability Review: <input type="checkbox"/> (See 7. Applicability next page) | | <p><small>Include the number of long-term care beds to be added or replaced, square footage of new construction and/or renovation, services affected, and major medical equipment to be acquired or replaced. If requesting a non-applicability letter, also complete the next page of this form.</small></p> <p>Proposal to construct a 66-bed assisted living facility (ALF) in Kansas City. The intent is to have 44 private and 4 semi-private Level 2 ALF rooms, plus 16 private and 2 semi-private Memory Care rooms. This structure will include a total of about 50,000 square foot.</p> <p>There is a surplus of 192 RCF/ALF beds in the 15-mile radius surrounding this location (see attached documentation).</p> <p>There is a Special Exception in this area as shown by the 179 unmet RCF/ALF bed need in the alternative 10-mile radius service area (see attached need map).</p> <p><small>*If new or additional long-term care beds, provide the average occupancy of all licensed and available beds in the appropriate category within the fifteen-mile radius, check one of the following, and attach applicable documentation or explanation. <input type="checkbox"/> Bed need standard is met. (Attach documentation.) -OR- <input checked="" type="checkbox"/> Special exceptions apply. (Attach explanation.)</small></p> |
| Key: LTC = Long-Term Care; LTCH = Long-Term Care Hospital; RCF/ALF = Residential Care Facility/ Assisted Living Facility | | |
| 5. Estimated Project Cost: | | \$ 12,700,000 |
| 6. Authorized Contact Person Identification <small>(List only one person, regardless of number of owners/ operators.)</small> | | |
| Name of Contact Person Thomas R. Piper | | Title CEO, MacQuest Consulting, LLC |
| Contact Person Address <small>(Company/ Street/ City/ State/ Zip Code)</small> 1003 Boonville Road, Jefferson City, MO 65109 | | |
| Telephone Number 573-230-5350 | Fax Number n/a | E-mail Address macquest@mac.com |
| Signature of Contact Person  | | Date of Signature 05/30/17 |

**APPLICANT IDENTIFICATION AND CERTIFICATION**

The information provided must match the **Letter of Intent** for this project, without exception.

1. Project Location (Attach additional pages as necessary to identify multiple project sites.)

| | |
|---|---------------------------|
| Title of Proposed Project SW Kansas City Senior Community - new 66-bed assisted living facility | Project Number 5488 RS |
| Project Address (Street/City/State/Zip Code) West corner of Missouri Highway 150 and Wyandotte Street, Kansas City, MO 64145 | County Jackson |

2. Applicant Identification (Information must agree with previously submitted Letter of Intent.)

| List All Owner(s): (List corporate entity.) | Address (Street/City/State/Zip Code) | Telephone Number |
|---|---|------------------|
| Southwest Kansas City Senior Community, LLC | 5051 S. National Ave., Suite 4-100 Springfield, MO 65810 | 417-300-4050 |
| | | |

| List All Operator(s): (List entity to be licensed or certified.) | Address (Street/City/State/Zip Code) | Telephone Number |
|--|---|------------------|
| Southwest Kansas City Senior Community, LLC | 5051 S. National Ave., Suite 4-100 Springfield, MO 65810 | 417-300-4050 |
| | | |

3. Ownership (Check applicable category.)

- ☐ Nonprofit Corporation ☐ Individual ☐ City ☐ District
☐ Partnership ☐ Corporation ☐ County ☒ Other limited liability corporation

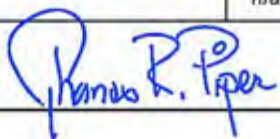
4. Certification

In submitting this project application, the applicant understands that:

- (A) The review will be made as to the community need for the proposed beds or equipment in this application;
- (B) In determining community need, the Missouri Health Facilities Review Committee (Committee) will consider all similar beds or equipment within the service area;
- (C) The issuance of a Certificate of Need (CON) by the Committee depends on conformance with its Rules and CON statute;
- (D) A CON shall be subject to forfeiture for failure to incur an expenditure on any approved project six (6) months after the date of issuance, unless obligated or extended by the Committee for an additional six (6) months;
- (E) Notification will be provided to the CON Program staff if and when the project is abandoned; and
- (F) A CON, if issued, may not be transferred, relocated, or modified except with the consent of the Committee.

We certify the information and date in this application as accurate to the best of our knowledge and belief by our representative's signature below:

5. Authorized Contact Person (Attach a Contact Person Correction Form if different from the Letter of Intent.)

| | |
|--|--|
| Name of Contact Person Thomas R. Piper | Title CEO, MacQuest Consulting, LLC |
| Telephone Number 573-230-5350 | E-mail Address macquest@mac.com |
| Signature of Contact Person  | Date of Signature June 6, 2017 |

**REPRESENTATIVE REGISTRATION***(A registration form must be completed for each project represented)*

| | |
|---|--------------------------|
| Project Name SW Kansas City Senior Community - establish a new 66-bed ALF/MC | Number 5488 RS |
|---|--------------------------|

(Please type or print legibly)

| | |
|---|--------------|
| Name of Representative Thomas R. Piper | Title CEO |
|---|--------------|

| | |
|---|----------------------------------|
| Firm/ Corporation/ Association of Representative (may be different from below, e.g., law firm, consultant, other) MacQuest Consulting, LLC | Telephone Number 573-230-5350 |
|---|----------------------------------|

| |
|--|
| Address (Street/ City/ State/ Zip Code) 1003 Boonville Road Jefferson City, MO 65109 |
|--|

Who's interests are being represented?
(If more than one, submit a separate Representative Registration Form for each.)

| | |
|--|----------------------------------|
| Name of Individual/ Agency/ Corporation/ Organization being Represented SW Kansas City Senior Community | Telephone Number 417-300-4050 |
|--|----------------------------------|

| |
|--|
| Address (Street/ City/ State/ Zip Code) West corner of Missouri Highway 150 and Wyandotte Street, Kansas City, MO 64145 |
|--|

Check one. Do you:

- ☒ Support
☐ Oppose
☐ Neutral

Relationship to Project:

- ☐ None
☐ Employee
☐ Legal Counsel
☒ Consultant
☐ Lobbyist
☐ Other (explain):

Other information:

I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in §105.478, RSMo.

| | |
|---|------------------------|
| Original Signature  | Date March 30, 2017 |
|---|------------------------|

**REPRESENTATIVE REGISTRATION***(A registration form must be completed for **each** project represented)*

Project Name

SW Kansas City Senior Community - establish a new 66-bed ALF/MC

Number

5488 RS*(Please type or print legibly)*

Name of Representative

Denise Heintz

Title

CEO

Firm/Corporation/Association of Representative (may be different from below, e.g., law firm, consultant, other)

Southwest Kansas City Senior Community, LLC

Telephone Number

417-300-4050

Address (Street/City/State/Zip Code)

5051 S. National Ave., Suite 4-100
Springfield, MO 65810

Who's interests are being represented?

(If more than one, submit a separate Representative Registration Form for each.)

Name of Individual/Agency/Corporation/Organization being Represented

SW Kansas City Senior Community

Telephone Number

417-300-4050

Address (Street/City/State/Zip Code)

West corner of Missouri Highway 150 and Wyandotte Street, Kansas City, MO 64145

Check one. Do you:

☒ Support☐ Oppose☐ Neutral

Relationship to Project:

☐ None☐ Employee☐ Legal Counsel☐ Consultant☐ Lobbyist☒ Other (explain):

Owner/Partner

Other information:

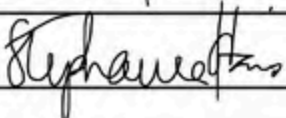
I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in §105.478, RSMo.

Original Signature

Date

June 1, 2017

**REPRESENTATIVE REGISTRATION***(A registration form must be completed for each project represented)*

| | | | | | | | | | | | | | | | | |
|---|--|----------------------------------|--------------------|--------------------------|---|-------------------------------|---------------------------------|-----------------------------------|----------------------------------|--|--|--|--|-----------------------------------|--|---|
| Project Name SW Kansas City Senior Community - establish a new 66-bed ALF/MC | | Number 5488 RS | | | | | | | | | | | | | | |
| <i>(Please type or print legibly)</i> | | | | | | | | | | | | | | | | |
| Name of Representative Stephanie R Harris | Title CEO | | | | | | | | | | | | | | | |
| Firm/ Corporation/ Association of Representative (may be different from below, e.g., law firm, consultant, other) Arrow Senior Living Brookline, LLC | | Telephone Number 636-724-1766 | | | | | | | | | | | | | | |
| Address (Street/ City/ State/ Zip Code) 3333-9 Rue Royale, Saint Charles, MO 63301 | | | | | | | | | | | | | | | | |
| Who's interests are being represented? <i>(If more than one, submit a separate Representative Registration Form for each.)</i> | | | | | | | | | | | | | | | | |
| Name of Individual/ Agency/ Corporation/ Organization being Represented SW Kansas City Senior Community | | Telephone Number 417-300-4050 | | | | | | | | | | | | | | |
| Address (Street/ City/ State/ Zip Code) West corner of Missouri Highway 150 and Wyandotte Street, Kansas City, MO 64145 | | | | | | | | | | | | | | | | |
| <table border="0"><tr><td>Check one. Do you:</td><td>Relationship to Project:</td></tr><tr><td><input checked="" type="checkbox"/> Support</td><td><input type="checkbox"/> None</td></tr><tr><td><input type="checkbox"/> Oppose</td><td><input type="checkbox"/> Employee</td></tr><tr><td><input type="checkbox"/> Neutral</td><td><input type="checkbox"/> Legal Counsel</td></tr><tr><td></td><td><input checked="" type="checkbox"/> Consultant</td></tr><tr><td></td><td><input type="checkbox"/> Lobbyist</td></tr><tr><td></td><td><input type="checkbox"/> Other (explain):</td></tr></table> | | | Check one. Do you: | Relationship to Project: | <input checked="" type="checkbox"/> Support | <input type="checkbox"/> None | <input type="checkbox"/> Oppose | <input type="checkbox"/> Employee | <input type="checkbox"/> Neutral | <input type="checkbox"/> Legal Counsel | | <input checked="" type="checkbox"/> Consultant | | <input type="checkbox"/> Lobbyist | | <input type="checkbox"/> Other (explain): |
| Check one. Do you: | Relationship to Project: | | | | | | | | | | | | | | | |
| <input checked="" type="checkbox"/> Support | <input type="checkbox"/> None | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Oppose | <input type="checkbox"/> Employee | | | | | | | | | | | | | | | |
| <input type="checkbox"/> Neutral | <input type="checkbox"/> Legal Counsel | | | | | | | | | | | | | | | |
| | <input checked="" type="checkbox"/> Consultant | | | | | | | | | | | | | | | |
| | <input type="checkbox"/> Lobbyist | | | | | | | | | | | | | | | |
| | <input type="checkbox"/> Other (explain): | | | | | | | | | | | | | | | |
| Other information: _____ _____ | | | | | | | | | | | | | | | | |
| <p>I attest that to the best of my belief and knowledge the testimony and information presented by me is truthful, represents factual information, and is in compliance with §197.326.1 RSMo which says: Any person who is paid either as part of his normal employment or as a lobbyist to support or oppose any project before the health facilities review committee shall register as a lobbyist pursuant to chapter 105 RSMo, and shall also register with the staff of the health facilities review committee for every project in which such person has an interest and indicate whether such person supports or opposes the named project. The registration shall also include the names and addresses of any person, firm, corporation or association that the person registering represents in relation to the named project. Any person violating the provisions of this subsection shall be subject to the penalties specified in §105.478, RSMo.</p> | | | | | | | | | | | | | | | | |
| Original Signature  | | Date June 1, 2017 | | | | | | | | | | | | | | |



Certificate of Need Program

Attachment 4a

PROPOSED PROJECT BUDGET**Description****Dollars****COSTS:***

(Fill in every line, even if the amount is "\$0".)

| | |
|--|------------------------|
| 1. New Construction Costs *** | \$8,694,308 |
| 2. Renovation Costs *** | \$0 |
| 3. Subtotal Construction Costs (#1 plus #2) | \$8,694,308 |
| 4. Architectural/Engineering Fees | \$459,900 |
| 5. Other Equipment (not in construction contract) | \$333,900 |
| 6. Major Medical Equipment | \$0 |
| 7. Land Acquisition Costs *** | \$609,000 |
| 8. Consultants' Fees/Legal Fees *** | \$28,900 |
| 9. Interest During Construction (net of interest earned) *** | \$359,100 |
| 10. Other Costs *** | \$2,171,309 |
| 11. Subtotal Non-Construction Costs (sum of #4 through #10) | \$3,962,109 |
| 12. Total Project Development Costs (#3 plus #11) | \$12,656,417 ** |

FINANCING:

| | |
|---|------------------------|
| 13. Unrestricted Funds | \$6,840,766 |
| 14. Bonds | \$0 |
| 15. Loans | \$5,815,651 |
| 16. Other Methods (specify) | \$0 |
| 17. Total Project Financing (sum of #13 through #16) | \$12,656,417 ** |

| | |
|--|-----------|
| 18. New Construction Total Square Footage | 50,050 |
| 19. New Construction Costs Per Square Foot ***** | \$ 173.72 |
| 20. Renovated Space Total Square Footage | 0 |
| 21. Renovated Space Costs Per Square Foot ***** | \$0 |

* Attach additional page(s) detailing how each line item was determined, including all methods and assumptions used. Provide documentation of all major costs.

** These amounts should be the same.

*** Capitalizable items to be recognized as capital expenditures after project completion.

**** Include as Other Costs the following: other costs of financing; the value of existing lands, buildings and equipment not previously used for health care services, such as a renovated house converted to residential care, determined by original cost, fair market value, or appraised value; or the fair market value of any leased equipment or building, or the cost of beds to be purchased.

***** Divide new construction costs by total new construction square footage.

***** Divide renovation costs by total renovation square footage.

Proposed Project Budget Detail Sheet

1. New Construction Costs

\$8,694,308 represents the memory care and assisted living portion of the cost of new construction with the attached project estimates prepared by O'Reilly BUILD, LLC (see *Attachment 4c*), not including the independent living portion.

2. Renovation Costs

(not applicable)

4. Architectural/Engineering Fees

\$459,900 represents the cost of architectural fees allocated to new ALF construction as provided by Stark Wilson Duncan Architects Inc (see *Attachment 4d*).

5. Other Equipment (not in construction contract)

\$333,900 was allocated for furniture, laundry, dining and common areas.

6. Major Medical Equipment

(not applicable)

7. Land Acquisition Costs

\$609,000 is the allocated portion of the cost of the land acquired for this structure (see *Attachment 7b*).

8. Consultant's Fees/Legal Fees

\$28,900 for entity organization, contracts, real estate purchase, development fee, construction management, and accounting setup.

9. Interest During Construction

\$359,100 has been allocated for construction interest.

10. Other Costs

\$2,171,309 has been estimated for surveys, permits, loan commitment fee, appraisal, title insurance, marketing, promotional material and advertising.

Project Conceptual Budget
2017 KC Conceptual

6/14/17

USES:

| | | | | | |
|---|---------------|--------------|---------------------------|-------|---------------------|
| | | 150 | Total Units | | |
| | | 90 | IL | 60.0% | 42% |
| | | 44 | AL Units (48 beds) | 29.3% | CON Application |
| | | 16 | MC Units (16 beds) | 10.7% | Licensed Bed 42% |
| Construction IL | | \$151,366.90 | \$13,623,021 | | |
| Construction AL | | \$113,562.77 | \$4,996,762 | | \$4,996,762 |
| Construction MC | | \$118,518.81 | \$1,896,301 | | \$1,896,301 |
| Construction Site & Amenities | | \$28,586.43 | \$4,287,965 | | \$1,800,945 |
| Off-site - extension of Madison Street | Incl GC | | | | |
| Contingency (concept to design) | 4.0% | | \$992,162 | | \$416,708 |
| GC Performance Bond | Incl GC | | \$0 | | \$0 |
| Architect-includes Civil/MEP Eng | | | \$960,000 | | \$403,200 |
| Architect - other direct bill | | | \$0 | | \$0 |
| Arrow design/specs | | | \$35,000 | | \$14,700 |
| Engineering - Survey/other | | | \$50,000 | | \$21,000 |
| Engineering - Platting/annexation- | | | \$0 | | \$0 |
| Engineering (civil in arch) - 3rd party testing | | | \$50,000 | | \$21,000 |
| Geotech- soils report | | | \$20,000 | | \$8,400 |
| Survey - initial only | | | \$0 | | \$0 |
| Site Monitoring/Marketing-OxBlue | | | \$25,000 | | \$10,500 |
| Building Permits | Incl GC | | \$0 | | \$0 |
| Impact/Meter Fees | \$500 | | \$75,000 | | \$31,500 |
| Zoning application (incl fees and eng) | | | \$0 | | \$0 |
| Environmental Study | | | \$5,000 | | \$2,100 |
| Construction Loan - clsg fees/legal | | | \$200,000 | | \$84,000 |
| Interest - constr loan - | | | \$650,000 | | \$273,000 |
| Interest - bridge loan - | | | \$0 | | \$0 |
| Construction Period RE Tax | | | \$5,000 | | \$2,100 |
| Construction Period Ins (BldRisk-Liability) | | | \$200,000 | | \$84,000 |
| Plan Review Fee | | | \$5,000 | | \$2,100 |
| Market Study | | | \$5,000 | | \$2,100 |
| Appraisal | | | \$8,500 | | \$3,570 |
| Title, Recording and Clsg | | | \$45,000 | | \$18,900 |
| Legal - closing/organization | | | \$25,000 | | \$10,500 |
| Consultant- MacQuest | | | \$10,000 | | \$10,000 |
| CON application and fees | | | \$15,000 | | \$15,000 |
| Accounting/Cost Segregation | | | \$20,000 | | \$8,400 |
| Leasing Trailer and Set Up | | | \$75,000 | | \$31,500 |
| Arrow presales/marketing fee | | | \$375,000 | | \$157,500 |
| 3rd party marketing consultant | | | \$10,000 | | \$4,200 |
| 3rd party marketing Collateral Materials | Incl presales | | \$10,000 | | \$4,200 |
| FF & E | \$5,300 | | \$795,000 | | \$333,900 |
| Fitness Equipment | incl above | | \$0 | | \$0 |
| Vehicles - car and bus | | | \$90,000 | | \$37,800 |
| Contingency-once bid | 3% | | \$744,121 | | \$312,531 |
| TOTAL Replacement Costs | | | \$30,303,832 | | \$11,018,417 |
| Land Acquisition (percnmt to hard costs) | 4.78% | | \$1,450,000 | | \$609,000 |
| Other Acquisition costs/holding | | | \$0 | | \$0 |
| Total Replacement plus land | | | \$31,753,832 | | \$11,627,417 |
| Developer Fee (based on total repl cost) | 4.78% | | \$1,450,000 | | \$609,000 |
| Fee- equity raise | | | \$50,000 | | \$21,000 |
| Working Capital - | | | \$0 | | \$0 |
| Lease-up reserve | | | \$950,000 | | \$399,000 |
| Off-setting income/NOI | | | \$0 | | \$0 |
| Replacement Reserve Escrow | | | | | \$0 |
| TOTAL Development Costs | | | \$34,203,832 | | \$12,656,417 |
| Appraised as Completed Value | | TBD | | | |
| Per Unit | | | \$228,026 | | |
| Per Bed | | | | | \$204,135.76 |



June 26, 2017

Exhibit A**Fee Breakdown for Architectural Consulting Services for:**

SWKC Senior Community (16) Memory Care units, (44) Assisted Living units, (90) Independent Living units
Kansas City, Missouri

SWD

Design (assumes project programming developed in conjunction with Stephanie Harris)

Design Development

Construction Documents (assumes same services, kitchen, security, interiors by Aptura similar to the Parkway and Boulevard projects)

Construction Administration

Exterior 3D rendering with one revision

NGBS Green Design excluding 3rd party reviewer fee.

Zoning

State review and approval \$600,000.00

Reimbursable expenses**Printing**

Rezoning /Site Plan review \$ 4,000.00

State review plan set \$ 500.00

Permit Submittal \$ 4,500.00

Fedex, mail, etc... \$ 1,000.00

Total reimbursable expenses: \$ 10,000.00

Consultants

Olsson, Civil: \$ 80,000.00 (w/reimbursables)

BDC, Structural: \$ 84,000.00 (w/reimbursables)

H&B, MEP: \$176,000.00 (w/reimbursables)

Waters Edge, Pool: \$ 10,000.00 (est.)

Total Consultant Fees \$350,000.00

Total Proposed Fee excluding NGBS reviewer \$960,000.00

DIVIDER II: Proposal Description

DIVIDER II: Proposal Description

Proposal description shall include documents which:

1. Provide a complete detailed project description.

Proposal to construct a 66-bed assisted living facility (ALF) in Kansas City. The intent is to have 44 private and 4 semi-private Level 2 ALF rooms, plus 16 private and 2 semi-private Memory Care rooms. This structure will include a total of about 50,050 square foot.

A comprehensive description of the full array of services intended to be provided at this new facility is separately provided (see *Attachments 5a-d*).

2. Provide a timeline of events for the project, from the issuance of the CON through project completion.

(see *Attachment 5e*)

3. Provide a legible city or county map showing the exact location of the proposed facility.

(see *Attachment 5f*)

4. Provide site plan for the proposed project.

(see *Attachment 5g* <site plan>)

5. Provide preliminary schematic drawings for the proposed project.

(see *Attachment 5h* <facility schematic>)

6. Provide evidence that architectural plans have been submitted to the DHSS.

(see *Attachment 6*)

7. Provide the proposed gross square footage.

The proposed square footage of the new facility will be 50,050 square feet.

8. Document ownership of the project site, or provide an option to purchase.

Attached please find a copy of the Agreement for Purchase and Sale of Real Property which documents the purchase of real estate by Southwest Kansas City (SWKC) Senior Community from Chief Pony & Letterguy, LLC (see *Attachments 7a-n*).

9. Define the community to be served.

The community to be served is primarily defined as the people aged 65 and over who reside within the 15-mile radius (see *Attachment 5a*) from this location who are in need of assisted living services.

10. Provide 2020 population projections for the 15-mile radius service area.

The applicant has adjusted the population data based on the applicable Rules process using the 2020 projections acquired from the Department of Health and Senior Services. The following tables and maps illustrate this information (see *Attachments 8a <DHSS 15-mile zip code and cities maps>*, *8b <DHSS 15-mile zip code populations>*, and *8c <2020 Population Projections & Bed Need>*).

11. Identify specific community problems or unmet needs the proposal would address.

When the community need methodology of 25 beds per one thousand population 65+ is applied to the 112,225 population of 65+ in the 15-mile radius, it results in a total RCF/ALF need of 2,806 beds. There are 1,497 licensed and 150 approved RCF/ALF beds in the same radius according to the CON published inventory. Thus, there is a statistical surplus of 30 RCF/ALF beds in this area, but there is a special exception.

12. Provide historical utilization for each of the past three (3) years and utilization projections through the first three (3) full years of operation of the new LTC beds.

Since this is a new facility, there is projected utilization for the first three full years of operation with the addition:

| <u>Year</u> | <u>Patient Days</u> |
|-------------|---------------------|
| 2020 | 18,676 |
| 2021 | 23,360 |
| 2022 | 24,090 |

13. Provide the methods and assumptions used to project utilization.

Utilization projections are based on local experience of the Applicant in its existing assisted living facility to which an addition is being requested.

14. Document that consumers needs and preferences have been included in planning this project and describe how consumers had an opportunity to provide input.

Consumer needs in the community will be met by this 60-bed assisted living facility addition because the care model will focus on the basic care needs of the residents. These services are currently of very limited availability in the area.

Interested persons were also notified of this application via newspaper Public Notice in the June 6, 2017, edition of the Kansas City Star (see *Attachment 11e*).

15. Provide copies of any petitions, letters of support or opposition received.

The following letters of support (see *Attachments 9a-b*):

- Senator Jason Holsman, 7th District
- Representative Jack Bondon, District 56

DIVIDER II: Attachments

O'Reilly Development's Independent Living, Assisted Living and Memory Care Senior Living Campus

Quick Facts:

- SW Kansas City Senior Community, LLC, an O'Reilly Development, LLC entity
- Location: Kansas City, MO
- 90 units of Independent Living
 - 14 Studio approximately 448 sf
 - 42 One-Bedroom approximately 714 sf
 - 34 Two-Bedroom approximately 810 sf
- 66 beds of Assisted Living and Memory Care (requires Certificate of Need application; letter of intent has been submitted to the Missouri Health Facilities Review Committee)
 - 44 Assisted Living special care with private apartments with 4 second person accommodations for couples
 - 28 Studio approximately 420 sf
 - 16 One-Bedroom approximately 569 sf
 - 4 second person beds
 - Memory Care private rooms with private bathrooms
 - 14 Private Studio approximately 284 sf
 - 2 Special Care Studio, approximately 375 sf
 - 2 second person beds
- Scheduled to open in Fall/Winter 2018
- Developed by: O'Reilly Development Company of Springfield, Missouri
- Managed by: Arrow Senior Living SW KC, LLC of St. Charles, Missouri
- Architect: Stark Wilson Duncan Architects Inc.
- General Contractor: O'Reilly Build, LLC of Springfield, Missouri

Project Narrative:

An aging baby boomer population means an ever-increasing need for senior living communities. Senior citizens are looking for modern, innovative and charming communities in which to settle that can provide a continuum of care, meeting not only physical needs, but acknowledging social and emotional ones, and providing a sense of purpose. The property will address the concerns and desires of the modern senior citizen in a beautiful and spacious environment. Construction of Independent Living, Assisted Living and Memory Care buildings will allow for aging in place, helping maintain a sense of community, safety and belonging.

A moderately priced project is planned. It will offer upgraded amenities that are standard in new developments, as well as a means for aging in place. This new development will be the first modern senior living campus of its kind in the southwest Kansas City area. It is believed that the community is poised to serve the immediate need of seniors and aging parents of current Kansas City and Jackson

County residents, as well as the long-term demands of the new baby boomer consumer.

Independent Living:

The Independent Living building is comprised of 90 apartments on three floors. A higher number of one- and two-bedroom apartment options will be offered to attract couples with one spouse who requires extra oversight or assistance. Each apartment will feature senior-friendly fixtures, such as walk-in showers with grab bars in the bathroom, and a full kitchen. Refrigerators will be placed atop a wall bridge cabinet to provide additional storage space and elevate the appliance to reduce the need to stoop. Each apartment will be equipped with personal washer and dryer units.

All apartments will include “smart design” features where a counter height bar opens into the living area, eliminating the need for a separate dining area. Ample knee space below the bar on both the kitchen and living area sides serves as a dining table for two or a dining area and desk from the living area for sole occupants. Counter height will allow for a resident to easily match a standard 18” to 20” chair. Two-bedrooms will also feature an abundance of closet space, alleviating storage concerns of many prospects.

The commons area has several special areas for socialization and interaction, including a theater room for movie screenings and Wii gaming, men’s lounge to promote socialization amongst male residents that will include a pool table and poker game tables with more masculine décor, a country kitchen for cooking classes and mid-size group events, and a private dining area for family functions that will also serve as a conference room. A fitness area will focus on preventative health and wellbeing with space for physician and care offices, dressing rooms, fitness equipment for individual and group exercise, and an infinity pool. The pool, while unlikely to be used by the majority of residents outside of scheduled fitness programs, is a great selling point for adult children. A full-service salon with massage room and pedicure station offers a full-service amenity for residents.

Assisted Living and Special Care:

Assisted Living will offer affordably priced, private apartments for seniors requiring hands-on personal care services. Services within this building will meet the needs of physically frail seniors and will provide a higher level of care for those unable to make a pathway to safety. Prior to 2008, seniors with this need had only the option of a nursing home. This will be the first special care service in the southwest Kansas City area and will be competitive with the private-pay nursing home market since residents can reside longer in Assisted Living on this campus than anywhere else.

Memory Care: The Memory Care neighborhood is designed for the safety and comfort of cognitively impaired residents. Walk-in showers, height-appropriate fixtures such as toilets and sinks, and locking cabinets protect residents from harm.

The commons area will feature an open design, including dining room and living room, and will feature Life Stations, which attract residents and allow for purposeful wandering. Each Life Station is designed to engage through triggering memories of tasks ingrained throughout a resident's life. For instance, Life Stations include an infant nursery for care and nurturing, wardrobe to promote grooming habits, and work station for a sense of purpose and accomplishment.

A nurse's station will provide a hub for care partners and nurses to conduct care updates and paperwork. Residents who need a calm, soothing atmosphere can sit in the quiet sitting room. There will also be a small salon so residents can receive one-on-one special attention in a familiar environment. The whirlpool/spa room provides ease of bathing for residents with physical disabilities and helps with circulation. Residents whose dementia has created a fear of water often find the spa a less alarming place than a shower, greatly easing their anxiety and the time a care partner must spend in providing a bath. Between the two Memory Care hallways, an enclosed courtyard provides fresh air and interaction with the outdoors without risk of elopement. The courtyard is adorned with attractively designed raised planters that guide the walkways and allow for residents to interact with the plantings and green space.

Technology:

The community will be designed with modern technology to support the networking needs of the more tech-savvy senior and to support the operational systems that will help deliver services more efficiently. The physical plant will have energy saving features such as blown exterior insulation, efficient appliances, and light controls.

Technology from Foresite Healthcare, called Foresite Eldercare, will be installed to provide passive monitoring of adverse events such as falls, changes in sleeping behaviors, changes in vital signs, and potential for illness detection. Such investment in proactive monitoring will equip all residents and their loved ones to be as proactive as they choose to be about monitoring their care.

Lifestyle:

Onsite services and amenities, including the highly successful all-day dining program, speak of the convenience and satisfaction of residents each and every day. Onsite staff's attentive and professional demeanor and attention to detail ensures residents feel important and cared for. And with a varied and engaging program, a sense of community and excitement will be prevalent. A concentration on resident fitness and well-being will maintain a feeling of independence and security.

Labor:

Approximately 65 new jobs will be created at an average hourly pay rate of \$18.23, including highly skilled and licensed staff. A total of 50.61 fulltime equivalents will be employed at stabilization. The majority of the positions will be full-time with a competitive benefits offering including 401K, health coverage and life insurance

benefits. Females and minorities comprise the largest percentage of the senior living job force. While there may be some minimal need to hire outside the area for the licensed Administrator, it is expected that all newly created jobs will benefit the region's employment.

Operations:

City of Saint Charles-based Arrow Senior Living Management will provide above-market occupancy rates through its personalized and exceptional marketing initiatives, 24-hour onsite service and emergency maintenance and a high level of involvement in every aspect of operations. Arrow is an industry leader in managing consistently fully occupied communities and implementing exceptional services, such as all-day dining programs, constantly evolving and expanding event programming, and dignified, respectful caregiving that set the bar for senior living communities. Every aspect of its involvement in the community speaks to a commitment to residents and their families, as well property owners and investors.

Management's offices are located at the front of the lobby so their presence is immediately known by visitors, a visual reminder of the commitment of every team member to openness and accountability.

June 23, 2017

RE: SW Kansas City Senior Community
Project No 5488 RS
Project Timeline

| | |
|--|----------------|
| CON Letter of Intent | May 2017 |
| CON Application submission | June 30, 2017 |
| CON Meeting and approval | Sep 11, 2017 |
| Predevelopment and design stage | Sep – Jan 2017 |
| Construction Bidding | Jan-Feb 2018 |
| Notice to Proceed-Construction – site work begins | February 2018 |
| Building Erection | Summer 2018 |
| Construction Completion | August 2019 |
| Licensing | Fall 2019 |
| Preleasing | Summer 2019 |
| Stabilization | 2020-2021 |

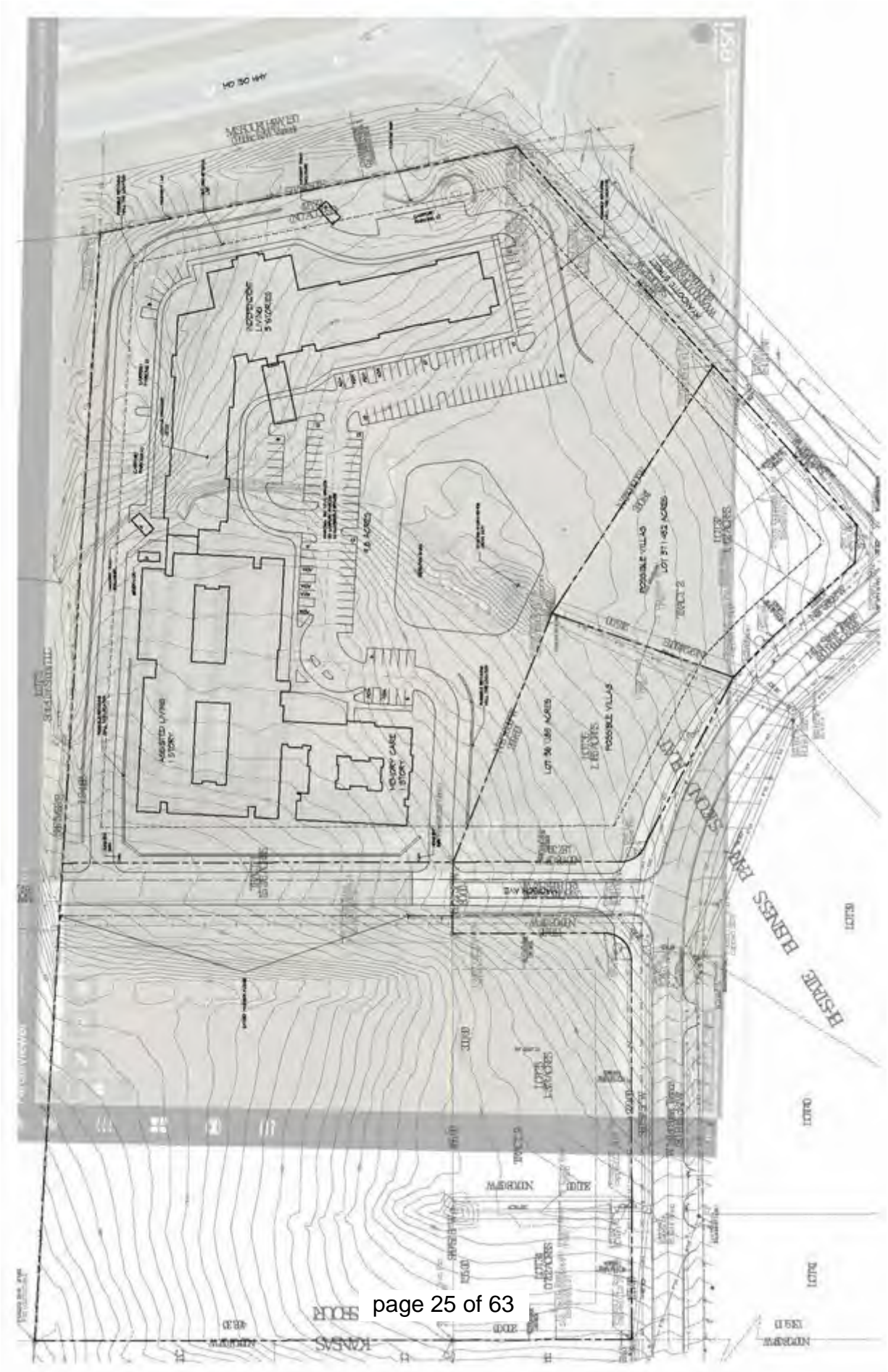
Overview of Geographic Location of SW Kansas City Proposed ALF

Attachment 5f

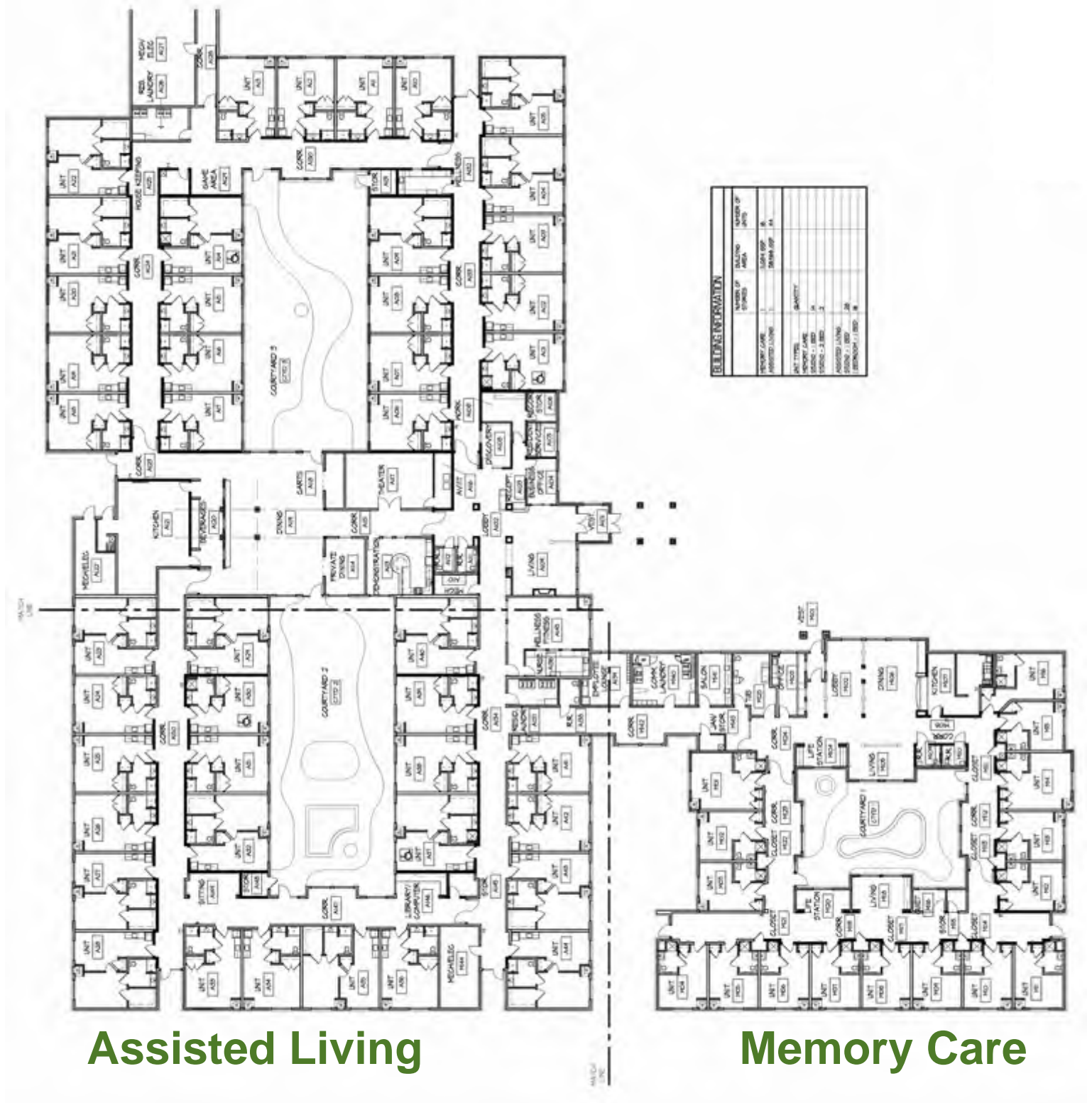


Site Plan

Attachment 5g



Schematic



From: Tim Wilson <twilson@swdarchitects.com>
Subject: SW Kansas City Senior Community Project No. 5488 RS
Date: June 15, 2017 at 3:41:21 PM CDT
To: "'East, David'" <David.East@health.mo.gov>
Cc: Tom Piper <macquest@mac.com>, Scott Auman
<sauman@swdarchitects.com>

Hi David,

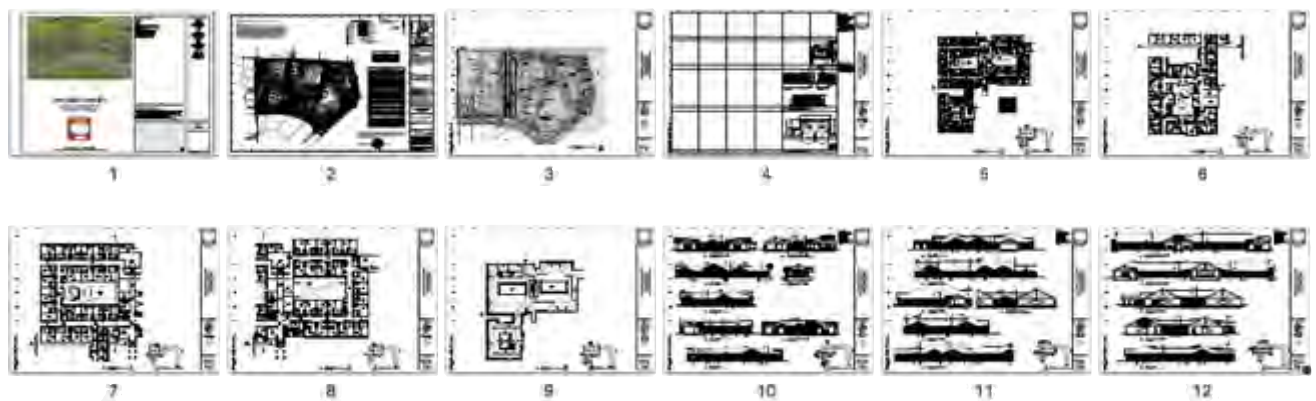
Attached are the schematic plans for a new senior community in Kansas City that we are submitting for C.O.N. later this month. Please call or e-mail if you have any questions or concerns.

Thanks,
Tim Wilson AIA, NCARB
Principal



STARK WILSON DUNCAN ARCHITECTS INC

315 Nichols Road, Suite 228
Kansas City, Missouri 64112
816.531.1698
www.swdarchitects.com



AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY (this “**Agreement**”) is made and entered into as of this 25th day of May, 2017 (the “**Effective Date**”), by and between **CHIEF PONY & LETTERGUY, LLC**, a Missouri limited liability company (“**Seller**”), and **SWKC SENIOR COMMUNITY, LLC**, a Missouri limited liability company, and/or its permitted assigns (“**Buyer**”).

In consideration of their mutual promises, covenants, representations, and warranties herein, Seller and Buyer agree as follows:

1. **Sale and Purchase.** Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, on the terms and conditions hereinafter set forth, that certain real property owned by Seller located near the intersection of Missouri Highway 50 and Wyandotte Street in Kansas City, Jackson County Missouri, as more particularly described on **Exhibit A** attached hereto and incorporated herein, including all improvements, structures and fixtures thereon, if any, and all rights and easements appurtenant thereto, if any (the “**Property**”). The Buyer will construct a senior living facility on the Property (the “**Project**”).
2. **Purchase Price.**
 - (a) The purchase price for the Property shall be One Million Four Hundred Fifty Thousand and No/100 Dollars (\$1,450,000.00) (the “**Purchase Price**”). Subject to Section 4(b) hereof, the payment of the Purchase Price shall be in the form of issuance, at no cost to Seller, and in exchange for the Property, pursuant to Section 721 of the Internal Revenue Code of 1986, as amended (the “**Code**”) of a mutually agreeable percentage limited liability company interest in the Buyer to be determined by dividing the Purchase Price by the total amount of equity contributed to the construction of the Project (the “**Equity Interest**”), to be conveyed by an assignment of membership interest in favor of Seller and such other documentation as reasonably and mutually agreed to by the parties to legally transfer the membership interest in Buyer to the Seller. Furthermore, the parties agree that any closing costs, prorations and allocations to be paid by or credited against Seller shall be accounted for by way of reductions against the Equity Interest conveyed to Seller. Seller shall be entitled to a credit for any proration credits owed to Seller in accordance with this Agreement in the form of additional Equity Interest.
 - (b) For purposes of this Agreement, the term “**Closing**” or “**Closing Date**” shall mean the date of closing with respect to Third-Party Financing (as hereinafter defined). Notwithstanding the foregoing, Closing may be accelerated to an earlier date at any time by mutual written agreement of Seller and Buyer.
3. **Buyer’s Due Diligence.** The obligation of Buyer to close the transactions contemplated by this Agreement is subject to the approval by Buyer of the condition of the Property, for any reason, within ninety (90) days from the Effective Date (the “**Diligence Period**”).

If Buyer is not satisfied with the condition of the Property for any reason whatsoever, then Buyer, in Buyer's sole and absolute discretion, may terminate this Agreement by giving written notice thereof to Seller prior to the expiration of the Diligence Period, in which event the Title Company shall immediately return to Buyer all sums advanced by Buyer (if any) and neither party shall have any further obligations under this Agreement except for those obligations which expressly survive the termination hereof. If Buyer has not delivered to Seller written notice that Buyer wishes to proceed with the transaction (the "**Notice to Proceed**") on or before the expiration of the Diligence Period, then this Agreement shall automatically terminate, in which event the Title Company shall immediately return all sums advanced by Buyer (if any) to Buyer and neither party shall have any further obligations under this Agreement except for those obligations which expressly survive the termination hereof.

- (a) **Due Diligence Materials.** Within ten (10) days of the Effective Date, Seller shall deliver to Buyer, any existing copies of the following: (i) a copy of all existing policy(ies) of title insurance covering the Property; (ii) an ALTA survey of the Property (the "**Survey**"); (iii) environmental assessments; (iv) structural and engineering reports; (v) soil reports; (vi) architectural plans; (vii) the zoning designation of the Property and a list of all restrictive covenants affecting the Property; (viii) a copy of all lease agreements and business agreements requested by Buyer; and (ix) any other document and/or report reasonably requested by Buyer (collectively, the "**Due Diligence Materials**"). Seller's failure to deliver the Due Diligence Materials within the 10-day period shall result in an extension of the Diligence Period equal to the delay in delivery. Buyer agrees and acknowledges that it is subject to the confidentiality provision in Section 3(f) hereof with regard to the documents and other information provided by Seller under this Section 3(a).
- (b) **Title Commitment and Objections.** Within ten (10) days of the Effective Date, Seller shall (at Seller's sole expense) order from First American Title Company in Kansas City, Missouri (the "**Title Company**" or the "**Escrow Agent**") a commitment to issue a standard ALTA owner's policy of title insurance effective at Closing (the "**Commitment**"). Seller shall deliver or cause the Title Company to deliver copies of the Commitment and all exception documents pertaining thereto to Buyer and Buyer's attorneys within five (5) days after receipt of the same. On or before the expiration of the Diligence Period, Buyer shall deliver to Seller or Seller's attorneys, notice of Buyer's objections, if any, to any liens, encumbrances or other title exceptions revealed by the Commitment which are unacceptable to Buyer (the "**Title Objections**"). Upon receipt of any such timely delivered notice of Title Objections from the Buyer, Seller may, but shall not be obligated to, elect to cure the Title Objections on or before Closing. Seller shall notify Buyer within five (5) business days of receiving notice of such Title Objections as to Seller's decision to either cure or not to cure the Title Objections. If Seller elects by notice at any time not to cure any Title Objections, then Buyer's sole right and remedy shall be, on the terms and conditions set forth below, either: (x) to elect not to purchase the Property, in which event this Agreement shall be terminated, and all sums advanced by Buyer to the Title Company (if any) shall

be returned to Buyer; or (y) to complete the transactions contemplated hereby in accordance with this Agreement subject to such Title Objections without reduction in or abatement of the Purchase Price. The Buyer shall exercise its option pursuant to clause (x) of this Section 3(b) by written notice given to and received by Seller within five (5) business days after receipt by Buyer of Seller's notice that Seller will not cure the Title Objections. If the Buyer shall fail to send a written notice to Seller exercising the Buyer's option set forth under clause (x) of this Section 3(b) within the applicable period, then the Buyer shall conclusively be deemed to have exercised the option set forth in clause (y) of this Section 3(b).

- (i) Permitted Encumbrances. If Buyer or Buyer's attorneys fail to deliver any such objection notice prior to the expiration of the Diligence Period, Buyer shall be deemed to have waived its right to object to any liens, encumbrances or other title exceptions appearing on the Commitment (and the same shall not constitute Title Objections and shall be deemed "**Permitted Encumbrances**"). Notwithstanding the foregoing, after the expiration of the Diligence Period, Buyer shall not be entitled to object to, and shall be deemed to have approved, any liens, encumbrances or other title exceptions (and the same shall not constitute Title Objections but shall be deemed Permitted Encumbrances) (1) over which the Title Company is willing to insure, (2) against which the Title Company is willing to provide affirmative insurance, or (3) which will be extinguished upon the transfer of the Property to Buyer.
- (ii) No Obligation to Cure. It is expressly understood that in no event shall Seller be required to bring any action or institute any proceeding, or to otherwise incur any costs or expenses in order to attempt to eliminate any Title Objections or to otherwise cause title in the Property to be in accordance with the terms of this Agreement on the Closing date. Notwithstanding anything to the contrary contained herein, if Seller elected to cure one or more Title Objections and is thereafter unable to eliminate such Title Objections by the Closing date, unless the same are waived by Buyer without any abatement in the Purchase Price, Seller may, upon prior notice ("**Title Cure Notice**") to Buyer adjourn the date of Closing for a period not to exceed thirty (30) days ("**Title Cure Period**"), in order to attempt to eliminate such exceptions. In the event Seller elects to cure any Title Objections and fails to do so by the date of Closing or the Title Cure Period, as the case may be, then such failure shall not be deemed a default by Seller hereunder, but rather be deemed to be a failure of a Buyer's condition to close and Buyer shall have the rights set forth in Section 14. In no event shall any lien, encumbrance or other exception arising as a result of any act or omission of Buyer or anyone acting on behalf of Buyer be deemed a Title Objection.
- (c) Survey. Within twenty (20) days of the Effective Date, Buyer (at Buyer's sole expense) may obtain a current survey of the Property by a surveyor licensed in the State of Missouri acceptable to Buyer. Buyer shall have a period of fifteen (15)

days after receipt of the survey to raise any title objections shown to Seller by the survey. If Seller does not so remedy such defect in title based on said survey, Buyer shall have the option of (a) completing this purchase and accepting such title as Seller is able to convey without reduction on the Purchase Price, or (b) declaring this Agreement null and void, and all sums advanced by Buyer (if any) shall be returned to Buyer.

- (d) Inspections. Subject to the terms and conditions set forth herein, Buyer and Buyer's representatives shall have the right to enter the Property at reasonable times after the Effective Date and until Closing or the earlier termination of this Agreement to inspect and/or survey the Property, all for the purposes of obtaining an appraisal, an environmental inspection, including, but not limited to, a Phase I assessment, an ALTA survey of the Property in accordance with Section 3(c) hereof, and other commercially reasonable due diligence activities (collectively, the "**Inspections**"). All Inspections shall be at Buyer's sole cost and expense and performed by reputable firms licensed and insured to perform the same in the State of Missouri. Buyer shall be responsible for returning the Property to its condition prior to the time of any entry. Seller or Seller's representative shall have the right, but not the obligation, to be present during any Inspection.
- (e) Indemnification. Buyer hereby indemnifies and shall defend and hold Seller, its affiliates, and their respective officers, directors, employees and agents harmless from any and all claims, liability, cost or expense arising from Buyer's or Buyer's representatives' activities on the Property pursuant to this Section 3. Buyer's obligations pursuant to this Section 3 shall survive any expiration or termination of this Agreement.
- (f) Confidentiality. Buyer and its representatives shall treat all information obtained pursuant to this Agreement as confidential (the "Confidential Information") and shall not disclose any Confidential Information to third parties (other than Buyer's professionals and consultants) without the prior written consent of Seller, unless required by law. Buyer's obligations under this section to maintain the confidentiality of the Confidential Information shall survive without limitation as to time.
- (g) Seller's Consent Required Prior to Recording or Filing. Buyer shall not record any documents against the Property before the Closing, nor amend any FEMA maps affecting the Property before Closing, in each instance without Seller's prior written approval, which approval shall be at Seller's sole and absolute discretion. Buyer agrees that Buyer shall not file of record any plats, plans or development agreements for the Property prior to Closing without Seller's prior written consent, which consent shall be at Seller's sole and absolute discretion.

4. **Certificate of Need; Operating Agreement.**

- (a) Certificate of Need. Buyer's obligations under this Agreement are expressly conditioned upon Buyer obtaining a Certificate of Need (the "**CON**") on or before

September 11, 2017 (the “**CON Deadline**”), as required by the Missouri Department of Health and Senior Services (“**DHSS**”) in order to operate a one hundred seventy-four (174) unit senior living facility consisting of assisted living, independent living, and memory care units on the Property. Seller shall cooperate in good faith with the Buyer in order to obtain any such CON, and agrees to provide DHSS, or any other appropriate governmental authority, with any information reasonably required in order to obtain the CON. Subject to Buyer’s satisfaction of the Submittals (as hereinafter defined), in the event that Buyer fails to obtain the CON on or before the CON Deadline, Buyer may terminate this Agreement by delivering written notice to Seller within two (2) days of the CON Deadline, in which event the Title Company shall return all sums advanced by Buyer (if any) to Buyer and neither party shall have any further rights or obligations under this Agreement, except for those obligations which expressly survive the termination hereof. Buyer shall diligently and in good faith prepare and submit the following items (each a “**Submittal**”) to DHSS on or prior to the following deadlines (each a “**Submittal Deadline**”): (i) on or prior to May 31, 2017, the letter of intent for the CON; and (ii) on or prior to June 30, 2017, the full application for the CON. Buyer shall deliver copies of each Submittal to Seller. Buyer’s failure to meet a Submittal Deadline shall be expressly deemed an event of default by Buyer, entitling Seller to terminate this Agreement.

(b) Operating Agreement. Each of the Buyer’s and Seller’s obligations under this Agreement are expressly conditioned upon the Buyer and Seller agreeing to the Amendment (as hereinafter defined) evidencing Seller’s admission as a member of the Buyer upon terms and conditions acceptable to Buyer and Seller. If Buyer and Seller are unable to agree upon the form of Amendment prior to the expiration of the Diligence Period, then this Agreement shall automatically terminate, in which event the Title Company shall return all sums advanced by Buyer (if any) to Buyer and neither party shall have any further obligations under this Agreement except for those obligations which expressly survive termination hereof, provided, however, that Buyer and Seller may mutually agree to waive the condition and proceed to Closing, in which case the Purchase Price shall be paid at Closing by wire transfer of immediately available funds through the Title Company.

5. Zoning Contingency. Buyer’s obligations under this Agreement are expressly conditioned upon Buyer obtaining approval of rezoning of the Property suitable to permit Buyer to construct and operate a 174-unit senior living facility consisting of independent living, assisted living, and memory care units on the Property (the “**Zoning Approval**”). If Buyer is unable to obtain the Zoning Approval prior to the CON Deadline, then Buyer may terminate this Agreement by delivering written notice to Seller, in which event the Title Company shall return all sums advanced by Buyer (if any) to Buyer and neither party shall have any further obligations under this Agreement except for those obligations which expressly survive the termination hereof.
6. Financing Contingency. Buyer’s obligations under this Agreement are expressly conditioned upon (1) Buyer securing third party financing for the Purchase Price and its cost to construct a 174-unit senior living facility consisting of independent living, assisted living and memory care units (“**Third Party Financing**”) on terms acceptable to Buyer

in Buyer's discretion, and (2) Buyer's receipt of an appraisal of the Property satisfactory to Buyer in Buyer's discretion (collectively, the "**Financing Contingency**"). If Buyer is unable to obtain acceptable Third Party Financing or an appraisal satisfactory to Buyer within ninety (90) days following the expiration of the Diligence Period, Buyer may terminate this Agreement by written notice delivered to Seller, in which event the Title Company shall return the Deposit to Buyer and neither party shall have any further obligations under this Agreement except for those obligations which expressly survive the termination hereof.

7. **Representations and Warranties.**

- (a) **Seller's Representations and Warranties.** Seller hereby warrants and represents to Buyer as of the Effective Date and as of the Closing Date as follows:
- (i) Seller is a limited liability company duly organized and validly existing under the laws of the State of Missouri.
 - (ii) Seller has all requisite corporate, company or partnership power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The person signing this Agreement on behalf of Seller has the authority to do so. The execution and delivery of this Agreement and the performance by Seller of its obligations hereunder has been duly and validly authorized by all necessary company action.
 - (iii) Upon execution by all parties hereto, this Agreement and all other agreements, instruments and documents required to be executed or delivered by Seller pursuant hereto have been or (if and when executed) will be duly executed and delivered by Seller, and are or will be the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their terms, subject only to the effect of bankruptcy, insolvency or similar laws.
 - (iv) To Seller's actual knowledge, (a) it has received no written notices during the three (3) years prior to the date of this Agreement from any federal, state or local governmental authority of any zoning, safety, building, fire, environmental or health code violations with respect to the Property which have not been heretofore corrected; (b) all permits, licenses and occupancy certificates necessary for the operation and occupancy of the Property have been obtained; (c) there are not presently any special assessment actions pending or overtly threatened against the Property; (d) it has received no written notices from any governmental authority regarding any claims relating to the presence or use of any hazardous materials at the Property in violation of any applicable law; and (e) except for hazardous materials used in the normal operation of the Property (such as cleaning materials, toner, etc.), it has not released any hazardous materials on or about the Property in violation of any applicable law.

- (v) There is no litigation or proceeding (including, but not limited to, condemnation or eminent domain proceedings, mechanic's liens, arbitration proceedings or foreclosure proceedings) pending or overtly threatened, against the Property except as disclosed to Buyer.
 - (vi) Seller shall indemnify and hold Buyer harmless from and against any and all claims, demands, liabilities, liens, costs, expenses, penalties, damages and losses suffered by Buyer as a result of any breach of warranty or representation made by Seller in this Section 7(a). The representations, warranties and indemnities set forth in this Section 7(a) shall survive Closing and the delivery of the deed at Closing.
- (b) Buyer's Representations and Warranties. Buyer hereby warrants and represents to Seller as of the Effective Date and as of the Closing Date as follows:
- (i) Buyer is a limited liability company duly organized and validly existing under the laws of the State of Missouri.
 - (ii) Buyer has all requisite corporate, company or partnership power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The person signing this Agreement on behalf of Buyer has the authority to do so. The execution and delivery of this Agreement by the person signing on behalf of Buyer and the performance by Buyer of its obligations hereunder has been duly and validly authorized by all necessary company action.
 - (iii) Upon execution by all parties thereto, this Agreement and all other agreements, instruments and documents required to be executed or delivered by Buyer pursuant hereto have been or (if and when executed) will be duly executed and delivered by Buyer, and are or will be the legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with their terms, subject only to the effect of bankruptcy, insolvency or similar laws.
 - (iv) The consummation of the transactions contemplated herein and the fulfillment of the terms hereof will not result in a material breach of any of the material terms or provisions of, or constitute a material default under, any material agreement or material document to which Buyer is a party or by which it is bound.

8. Conditions to Closing.

- (a) As a condition to Buyer's obligation to close, Seller shall have materially performed and complied with all covenants, conditions and contingencies of this Agreement (including those contingencies set forth in Sections 4, 5 and 6 hereof) on Seller's part to be performed and complied with prior to or at Closing and executed and delivered the Deed at Closing. In the event that the condition set forth in this Section 8(a) has not been satisfied on or before Closing, Buyer shall

have the option of either: (x) waiving the condition and proceeding to Closing "as-is" without reduction in the Purchase Price or claim against Seller therefor, or (y) terminating this Agreement.

- (b) As conditions to Seller's obligation to close:
 - (i) All representations and warranties of Buyer contained herein shall be true and accurate in all material respects as though said representations and warranties were made at and as of Closing;
 - (ii) Buyer shall have materially performed and complied with all covenants, conditions and contingencies of this Agreement (including those contingencies set forth in Sections 4, 5 and 6 hereof) on Buyer's part to be performed and complied with prior to or at Closing; and
 - (iii) Buyer shall have delivered the Purchase Price to the Escrow Agent.

Seller, at its sole discretion, may waive any or all of the foregoing conditions.

- 9. **Prorations.** All non-delinquent real estate and personal property taxes and assessments on the Property shall be prorated based on the tax bill for the fiscal year in which Closing occurs. If the tax bill for the current fiscal year is not available, then the proration shall be based on the prior fiscal year's assessment; and the parties shall re-prorate such real estate and personal property taxes and assessments upon the issuance of the final tax bill. Any delinquent real estate and personal property taxes and assessments on the Property shall be paid at Closing from funds accruing to Seller.

10. **Deliveries at Closing.**

- (a) At Closing, Seller will deliver to Escrow Agent for delivery to Buyer the following documents:
 - (i) Special Warranty Deed by which Seller conveys title of the Property to Buyer subject to general and special taxes for the year 2017 and subsequent years and the Permitted Encumbrances (the "**Deed**") using the legal description of record by which Seller acquired title to the Property;
 - (ii) Upon request of the Buyer, and in addition to the Deed, a quitclaim deed containing the legal description of the Property from the Survey, if different than the record legal description used in the Deed;
 - (iii) An Assignment of Membership Interest, in form and substance acceptable to the parties hereto, and such other documents necessary to legally transfer to Seller the Equity Interest in Buyer as agreed to by the parties, duly executed by Seller;

- (iv) A Seller's affidavit and such other documents as may be reasonably required by the Title Company, all in form and substance acceptable to Seller sufficient to cause deletion of all standard exceptions in the Commitment other than matters relating to survey;
 - (v) An affidavit of Seller setting forth Seller's federal identification number, and stating that Seller is not a foreign person; and
 - (vi) An Amendment to the Operating Agreement of the Buyer in form and substance acceptable to the parties hereto (the "**Amendment**"), reflecting Seller's admission as a member of the Buyer following conveyance of the Equity Interest to Seller.
- (b) At Closing, Buyer will deliver to Seller the following:
 - (i) The Purchase Price, in accordance with Section 2;
 - (ii) A counterpart signature page to the Amendment, signed by the Buyer's members; and
 - (iii) Any and all affidavits and other instruments and requirements which the Title Company shall reasonably require.
- 11. **Brokers.** Neither Seller nor Buyer has authorized any broker or finder to act on Seller's or Buyer's behalf in connection with the sale and purchase hereunder, and neither Seller nor Buyer has dealt with any broker or finder purporting to act on behalf of the other party. Buyer agrees to indemnify, defend, protect and hold harmless Seller from and against any and all demands, claims, losses, damages, liabilities, costs or expenses of any kind or character (including reasonable attorneys' fees and charges) arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by Buyer or on Buyer's behalf with any broker or finder in connection with this Agreement or the transaction contemplated hereby. Seller agrees to indemnify, defend, protect and hold harmless Buyer from and against any and all claims, losses, damages, liabilities, costs or expenses of any kind or character, including reasonable attorneys' fees and expenses, arising out of or resulting from any agreement, arrangement or understanding alleged to have been made by Seller or on Seller's behalf with any broker or finder in connection with this Agreement or the transactions contemplated hereby. Notwithstanding anything to the contrary contained herein, this Section 11 shall survive Closing or any earlier termination of this Agreement.
- 12. **Closing Costs.** The parties shall share equally the Escrow Agent's escrow costs. Buyer shall be responsible for any title insurance premiums, expenses, and charges for any endorsements or extended coverage requested by Buyer, the title insurance premium for a loan policy for Buyer's mortgage lender, if any, and all costs of inspection and due diligence, including, but not limited to any survey costs. Each party shall pay its own attorney fees and costs except as provided in Section 19. All other closing costs shall be apportioned or allocated between the parties in the manner customary in the county in which the Property is located.

13. **Remedies.** Buyer and Seller agree that it would be impractical and extremely difficult to estimate the damages which Seller may suffer as a result of a breach of this Agreement by Buyer. Therefore, Buyer and Seller agree that a reasonable estimate of the total detriment that Seller would suffer in the event of default by Buyer is and shall be the amount of Ten Thousand and No/100 Dollars (\$10,000.00). Said amount shall be the full, agreed and liquidated damages for the breach of or default under this Agreement by Buyer, all other claims to damages or other remedies being herein expressly waived by Seller. In the event of default hereunder by Seller, Buyer may, in its sole discretion, (i) pursue all equitable remedies, including, without limitation, specific performance of this Agreement; and (ii) terminate this Agreement and be released from its obligation to purchase the Property from Seller.
14. **Notices.** Any notices required or permitted to be given under this Agreement must be in writing and must be served by (i) depositing the notice in the United States mail, addressed to the party to be notified, postage prepaid, and registered or certified with return receipt requested, or (ii) delivering the notice (A) by recognized local courier or overnight delivery service, or (B) in person to such party. Notice given in accordance with (i) above is effective when mailed. Notice given in accordance with any of the methods listed in (ii) above is effective upon receipt or refusal to accept delivery at the address of the addressee. The parties' respective addresses for delivery of any Notice are set forth below unless another address is designated in writing by any party to the other:

If to Seller:

Chief Pony & Letterguy, LLC

Attn: David Losse

400 E. Red Bridge #113
Kansas City MO 64131

with a copy to:

_____**If to Buyer:**

SWKC Senior Community, LLC

Attn: Denise Heintz

5051 S. National Ave., Ste. 7B
Springfield, MO 65810

with a copy to:

Spencer Fane LLP

Attn.: S. Shawn Whitney

2144 E. Republic Rd., Ste. B300

Springfield, MO 65840

15. **Governing Law.** This Agreement shall be governed by the laws of the State of Missouri without regard to the conflicts of laws principles.
16. **Amendments.** This Agreement may not be amended except by a further agreement in writing executed by the parties hereto.
17. **Counterparts.** This Agreement may be executed in two or more counterparts and by electronic (PDF) or similar signature. Each executed counterpart shall be deemed an original hereof, but all counterparts together shall constitute one and the same instrument.
18. **Possession, Risk of Loss.** At Closing, Seller shall deliver possession of the Property to Buyer, and all risk of loss of, or damage to the Property from any source shall, at that time, pass to and become the responsibility of Buyer. Prior to Closing, the risk of loss shall remain with Seller. If all or any material part of any Property is materially destroyed or damaged by fire or other casualty, or taken by condemnation or purchased in lieu thereof prior to Closing, either party hereto may terminate this Agreement by providing written notice to the other party within thirty (30) days of such casualty or condemnation. In the event either party terminates this Agreement pursuant to this Section 18, all sums advanced by Buyer (if any) shall be returned to Buyer forthwith.
19. **Attorneys' Fees.** In the event suit is brought or an attorney is retained by any party to this Agreement to seek interpretation or construction of any term or provision of this Agreement, to enforce the terms of this Agreement, to collect any money due, or to obtain any money damages or equitable relief for breach, the prevailing party shall be entitled to recover reasonable attorneys' fees, court costs, costs of investigation, and other related expenses.
20. **Intended Agreement.** This Agreement is the result of arms-length negotiations between parties of equivalent bargaining power and expresses the complete, actual, and intended agreement of the parties. This Agreement shall not be construed for or against either party as a result of its participation or the participation of its counsel in the preparation and/or drafting of this Agreement or any exhibits hereto.
21. **Relationship.** This Agreement shall not be construed as creating a joint venture, partnership, or any other cooperative or joint arrangement between Buyer and Seller, and it shall be construed strictly in accordance with its terms.
22. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors in interest and permitted assigns.
23. **Further Instruments and Documents.** Each party hereto shall promptly upon the request of the other party or Escrow Agent, acknowledge and deliver to the other party or Escrow Agent any and all further instruments and assurances reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement or to satisfy Escrow Agent's requirements, including those exhibits which are not attached at the time the parties execute this Agreement.

24. **Integration.** This Agreement, including all exhibits attached hereto, represents the entire agreement of the parties with respect to its subject matter, and all agreements, oral or written, entered into prior to this Agreement are revoked and superseded. No representations, warranties, inducements, or oral agreements, have been made by any of the parties except as expressly set forth herein or in other contemporaneous written agreements.
25. **Severability.** If any provision of this Agreement is declared void or unenforceable, such provision shall be deemed severed from this Agreement, and this Agreement shall otherwise remain in full force and effect.
26. **Waiver.** Failure of any party to exercise any right, remedy, or option arising out of a breach of this Agreement shall not be deemed a waiver of any right, remedy, or option with respect to any subsequent or different breach, or in the continuance of any existing breach.
27. **Time of Essence.** Time is hereby declared to be of the essence for the performance of all conditions and obligations under this Agreement. All periods terminating on a given day or date shall terminate at 5:00 p.m. (Central time) on such day or dates, and references to "days" shall refer to calendar days except for such references which are to "business days," which shall refer to days which are not Saturday, Sunday or a legal holiday. Notwithstanding the foregoing, if any period of time hereunder terminates on, or if any action is to be taken on a date which is, a Saturday, Sunday or legal holiday, the terminations of such period or the date by which such action must be taken shall be on the next succeeding business day.
28. **Construction/Interpretation.** The captions and paragraph headings used in this Agreement are for convenience and reference only and are not intended to define, limit, or describe the scope or intent of any provision of this Agreement.
29. **Assignment.** Buyer may assign this Agreement to an affiliate of Buyer without the prior written consent of the Seller, provided that Buyer shall remain jointly and severally liable hereunder. Within five (5) business days thereof, Buyer shall provide Seller written notice of any assignment, including a copy of the fully executed instrument by which such assignment occurred. Any other attempt by Buyer to assign this Agreement without Seller's prior written consent shall render such assignment void and without effect. Seller may assign this Agreement and all or any part of its rights, interests or obligations hereunder upon written notice to Buyer. In the event of such assignment, Seller shall be relieved of any liability under any and all of the covenants, agreements, and obligations contained in or derived from this Agreement, and the assignee shall be deemed to have assumed and agreed to carry out any and all such covenants, agreements, and obligations.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by its duly authorized officers or agents.

SELLER:

CHIEF PONY & LETTERGUY, LLC,
a Missouri limited liability company

By: 

Name: David Lesse

Title: Managing Member

BUYER:

SWKC SENIOR COMMUNITY, LLC,
a Missouri limited liability company

By: 

Patrick E. O'Reilly, Manager

Exhibit ALEGAL DESCRIPTION**Tract One:**

Lots 34, 35, 36 and 37, BI-STATE BUSINESS PARK, SECOND PLAT, a subdivision in Kansas City, Jackson County, Missouri.

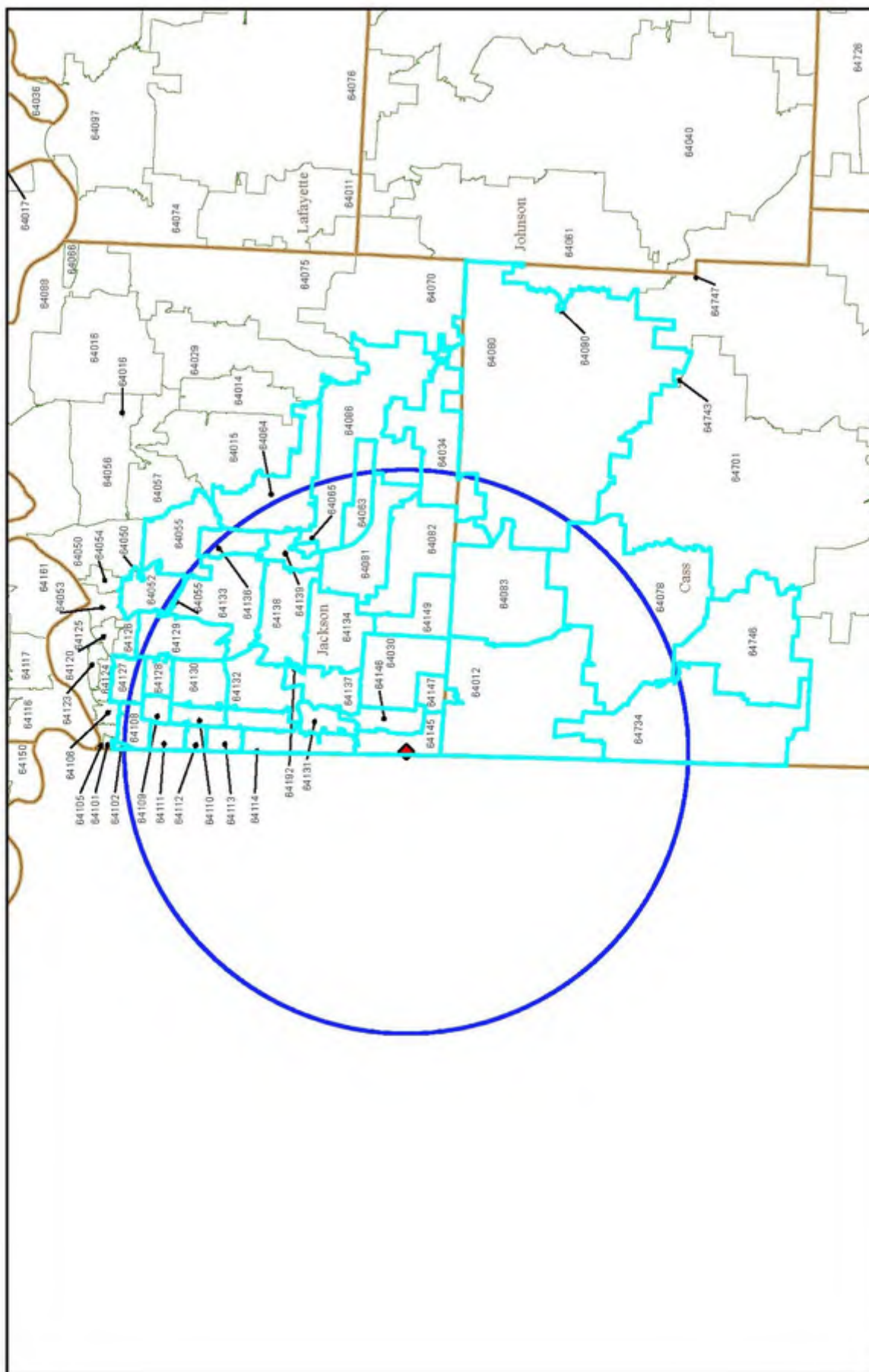
Tract Two:

A Tract of land in the North One-Half of Fractional Section 30, Township 47, Range 33, in the City of Kansas City, Jackson County, Missouri, more particularly described as follows:

Commencing at the Southwest corner of said North One-Half of said Fractional Section 30, thence North 00 degrees 08 minutes 09 seconds West, along the West line of said North One-Half, said line also being the West state line of Missouri and East state line of Kansas, a distance of 1519.10 feet to the Point of beginning; thence continuing North 00 degrees 08 minutes 09 seconds West along said state line and along the common plat lines of BI-STATE BUSINESS PARK and BI-STATE BUSINESS PARK, SECOND PLAT, a distance of 468.30 feet to a point; thence South 86 degrees 36 minutes 33 seconds East, a distance of 1242.02 feet to a point on the Westerly Right-of-Way line of Missouri Highway 150; thence South 11 degrees 41 minutes 50 seconds East, along said Westerly Right-of-Way 475.72 feet to its intersection with the Northerly Right-of-Way of Wyandotte Street; thence South 48 degrees 01 minute 52 seconds West, along said Right-of-Way, a distance of 328.65 feet to a point, said point being the Northeast corner of Lot 37, BI-STATE BUSINESS PARK, SECOND PLAT; thence North 57 degrees 00 minutes 00 seconds West, along the North line of said plat, a distance of 330.84 feet to a point; thence North 68 degrees 18 minutes 00 seconds West, along said North line, a distance of 299.60 feet to a point; thence North 89 degrees 21 minutes 31 seconds West, along said North line, a distance of 80.00 feet to a point; thence South 89 degrees 51 minutes 51 seconds West, along said North line, a distance of 455.50 feet to the Point of Beginning EXCEPT that part in roads, if any.

CON 15 Mile Radius

West corner of MO Hwy 150 and Wyandotte St
 Kansas City, MO 64145
 (Lat: 38.873447 & Long: -94.604741)

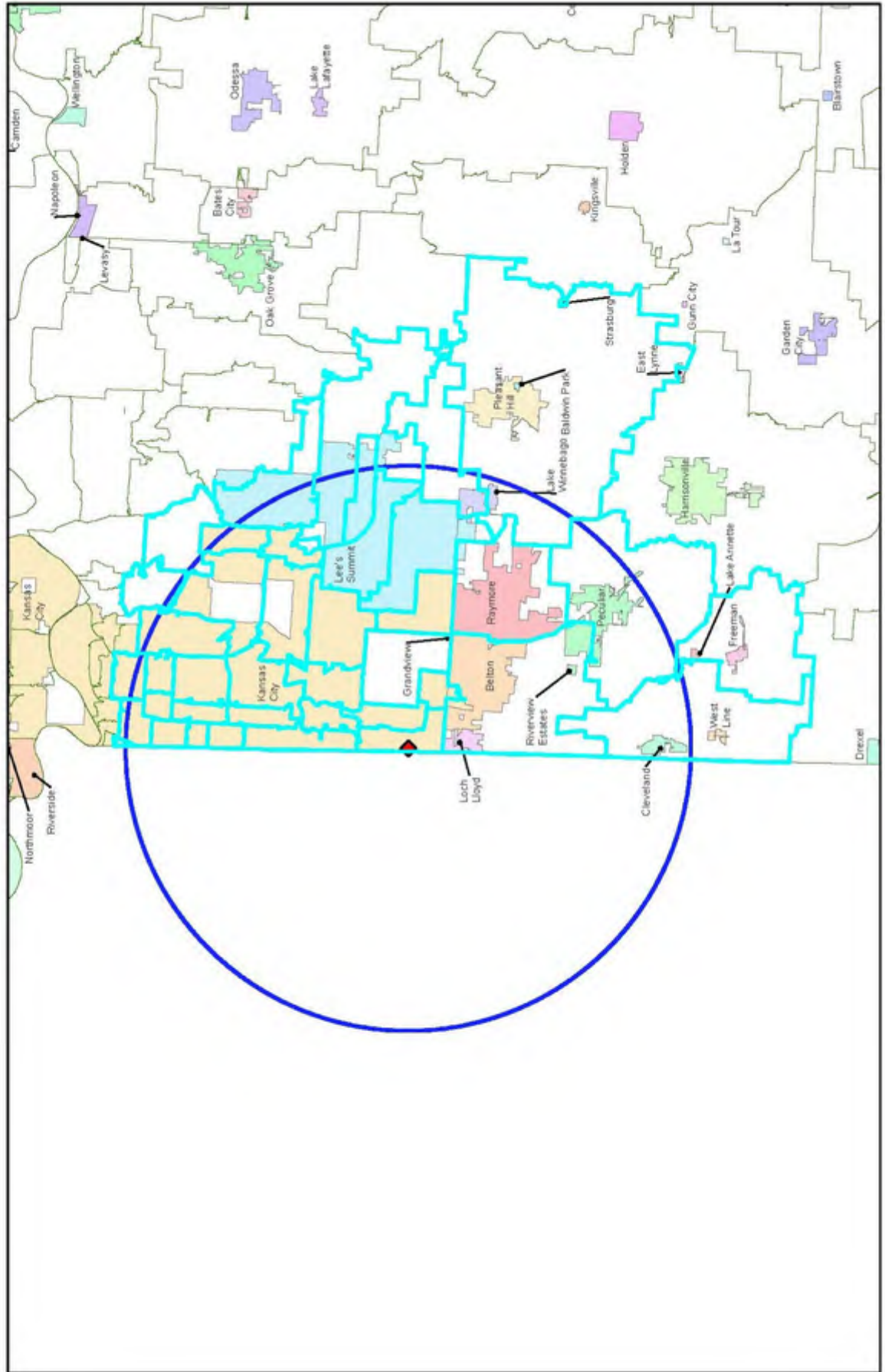


CON 15 Mile Radius

West corner of MO Hwy 150 and Wyandotte St

Kansas City, MO 64145

(Lat: 38.873447 & Long: -94.604741)



2020 Population Projections for Kansas City 64145

| County Projections | | | | City Projections | | | | |
|--------------------|---------|-----------|---------|---|---------|-------------------|-----------|---------|
| Zip | County | Total Pop | 65+ Pop | Zip | County | City | Total Pop | 65+ Pop |
| 64012 | Cass | 30,536 | 4,727 | 64012 | Cass | Belton | 23,770 | 3,124 |
| 64030 | Jackson | 25,235 | 3,381 | 64012 | Cass | Loch Lloyd | 770 | 237 |
| 64034 | Jackson | 7,866 | 942 | 64012 | Cass | Peculiar | 5,767 | 707 |
| 64052 | Jackson | 21,607 | 3,821 | 64012 | Cass | Riverview Estates | 82 | 13 |
| 64055 | Jackson | 34,985 | 8,654 | 64034 | Jackson | Lake Winnebago | 1,244 | 306 |
| 64063 | Jackson | 21,052 | 2,425 | 64078 | Cass | Peculiar | 5,767 | 707 |
| 64064 | Jackson | 16,762 | 2,556 | 64080 | Cass | Baldwin Park | 85 | 8 |
| 64065 | Jackson | 28 | 3 | 64080 | Cass | East Lynne | 309 | 50 |
| 64078 | Cass | 10,880 | 1,513 | 64080 | Cass | Lake Winnebago | 1,244 | 306 |
| 64080 | Cass | 15,795 | 2,510 | 64080 | Cass | Pleasant Hill | 9,302 | 1,326 |
| 64081 | Jackson | 23,915 | 4,986 | 64080 | Cass | Strasburg | 145 | 24 |
| 64082 | Jackson | 14,937 | 1,622 | 64082 | Jackson | Lake Winnebago | 1,244 | 306 |
| 64083 | Cass | 27,876 | 4,816 | 64082 | Jackson | Lee's Summit | 103,045 | 14,475 |
| 64086 | Jackson | 22,655 | 2,322 | 64083 | Cass | Lee's Summit | 103,045 | 14,475 |
| 64102 | Jackson | 0 | 0 | 64083 | Cass | Raymore | 23,430 | 3,914 |
| 64108 | Jackson | 7,837 | 923 | 64147 | Jackson | Kansas City | 481,614 | 64,910 |
| 64109 | Jackson | 10,262 | 1,170 | 64734 | Cass | Cleveland | 680 | 108 |
| 64110 | Jackson | 15,828 | 1,607 | 64734 | Cass | West Line | 100 | 11 |
| 64111 | Jackson | 16,862 | 1,862 | 64746 | Cass | Freeman | 473 | 64 |
| 64112 | Jackson | 8,419 | 1,267 | 64746 | Cass | Lake Annette | 78 | 18 |
| 64113 | Jackson | 11,704 | 1,735 | Please note that the above list may contain cities that are in a zip code (63025, 63026, 63348, 64024, 64034, 64048, 64075, 64082, 64147) that is primarily, but not entirely, in a non-adjustment county (Jackson, Clay, St. Louis, and St. Charles counties or St. Louis city). The listed city itself is in a county that adjusts for population centers and should be taken into account as a population center for CON population projection purposes." | | | | |
| 64114 | Jackson | 23,929 | 5,209 | | | | | |
| 64127 | Jackson | 17,909 | 1,984 | | | | | |
| 64128 | Jackson | 12,000 | 2,091 | | | | | |
| 64129 | Jackson | 9,803 | 1,519 | | | | | |
| 64130 | Jackson | 21,174 | 4,394 | | | | | |
| 64131 | Jackson | 22,180 | 3,102 | | | | | |
| 64132 | Jackson | 14,271 | 1,770 | | | | | |
| 64133 | Jackson | 34,905 | 6,424 | | | | | |
| 64134 | Jackson | 22,704 | 2,685 | | | | | |
| 64136 | Jackson | 2,225 | 413 | | | | | |
| 64137 | Jackson | 10,906 | 1,660 | | | | | |
| 64138 | Jackson | 26,136 | 4,431 | | | | | |
| 64139 | Jackson | 1,821 | 250 | | | | | |
| 64145 | Jackson | 5,569 | 1,966 | | | | | |
| 64146 | Jackson | 1,423 | 350 | | | | | |
| 64147 | Jackson | 796 | 4 | | | | | |
| 64149 | Jackson | 355 | 96 | | | | | |
| 64192 | Jackson | 16 | 1 | | | | | |
| 64734 | Cass | 2,199 | 361 | | | | | |
| 64746 | Cass | 1,490 | 265 | | | | | |
| Totals | | 576,852 | 91,817 | | | | | |

Address: West corner of MO Hwy 150 & Wyandotte St, Kansas City, MO 64145

Bed Need Calculations

| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O |
|----|--------------|---------------|------------|-------------------|-----------------|------------------|-----------------|--------------------------|-------------------------|-------------------------|---|------------------------|--------------------------|-----------------------------------|------------------------------------|
| 1 | POPULATION | | | 65+ Population | Project Number: | | | Project Address: | | | West corner of MO Hwy 150 and Wyandotte St, Kansas City, MO 64145 | | | | |
| 2 | | Zip In Radius | Pop in Zip | City in Zip | City Pop | % of City in ZIP | City Pop In ZIP | Total Cities' Pop In Zip | Zip Pop W/O Cities' Pop | % of Zip Area in Radius | Zip Pop in Radius W/O Cities' Pop | % City in Zip & Radius | City Pop In Zip & Radius | Total Cities' Pop in Zip & Radius | Zip Pop w City Pop in Zip & Radius |
| 3 | 1 | 64012 | 4,727 | Belton | 3,124 | 100% | 3,124 | 3,515 | 1,212 | 100% | 1,212 | 100% | 3,124 | 3,515 | 4,727 |
| 4 | | | | Loch Lloyd | 237 | 100% | 237 | | | | | 100% | 237 | | |
| 5 | | | | Peculiar | 707 | 20% | 141 | | | | | 20% | 141 | | |
| 6 | | | | Riverview Estates | 13 | 100% | 13 | | | | | 100% | 13 | | |
| 7 | 2 | 64030 | 3,381 | n/a | 0 | 0% | 0 | 0 | 3,381 | 100% | 3,381 | 0% | 0 | 0 | 3,381 |
| 9 | 3 | 64034 | 942 | Lake Winnebago | 306 | 70% | 214 | 214 | 728 | 30% | 218 | 70% | 214 | 214 | 433 |
| 11 | 4 | 64052 | 3,821 | n/a | 0 | 0% | 0 | 0 | 3,821 | 10% | 382 | 0% | 0 | 0 | 382 |
| 13 | 5 | 64055 | 8,654 | n/a | 0 | 0% | 0 | 0 | 8,654 | 10% | 865 | 0% | 0 | 0 | 865 |
| 15 | 6 | 64063 | 2,425 | n/a | 0 | 0% | 0 | 0 | 2,425 | 70% | 1,698 | 0% | 0 | 0 | 1,698 |
| 17 | 7 | 64064 | 2,556 | n/a | 0 | 0% | 0 | 0 | 2,556 | 30% | 767 | 0% | 0 | 0 | 767 |
| 19 | 8 | 64065 | 3 | n/a | 0 | 0% | 0 | 0 | 3 | 100% | 3 | 0% | 0 | 0 | 3 |
| 21 | 9 | 64078 | 1,513 | Peculiar | 707 | 80% | 566 | 566 | 947 | 60% | 568 | 80% | 566 | 566 | 1,134 |
| 23 | 10 | 64080 | 2,510 | Baldwin Park | 8 | 100% | 8 | 1,460 | 1,050 | 10% | 105 | 0% | 0 | 92 | 197 |
| 24 | | | | East Lynne | 50 | 20% | 10 | | | | | 0% | 0 | | |
| 25 | | | | Lake Winnebago | 306 | 30% | 92 | | | | | 30% | 92 | | |
| 26 | | | | Pleasant Hill | 1,326 | 100% | 1,326 | | | | | 0% | 0 | | |
| 27 | | | | Strasburg | 24 | 100% | 24 | | | | | 0% | 0 | | |
| 28 | 11 | 64081 | 4,986 | n/a | 0 | 0% | 0 | 0 | 4,986 | 100% | 4,986 | 0% | 0 | 0 | 4,986 |
| 30 | 12 | 64082 | 1,622 | Lake Winnebago | 306 | 0% | 0 | 1,448 | 175 | 100% | 175 | 0% | 0 | 1,448 | 1,622 |
| 31 | | | | Lee's Summit | 14,475 | 10% | 1,448 | | | | | 10% | 1,448 | | |
| 32 | 13 | 64083 | 4,816 | Lee's Summit | 14,475 | 0% | 0 | 3,914 | 902 | 100% | 902 | 0% | 0 | 3,914 | 4,816 |
| 33 | | | | Raymore | 3,914 | 100% | 3,914 | | | | | 100% | 3,914 | | |
| 34 | 14 | 64086 | 2,322 | n/a | 0 | 0% | 0 | 0 | 2,322 | 20% | 464 | 0% | 0 | 0 | 464 |
| 36 | 15 | 64102 | 0 | n/a | 0 | 0% | 0 | 0 | 0 | 0% | 0 | 0% | 0 | 0 | 0 |
| 38 | 16 | 64108 | 923 | n/a | 0 | 0% | 0 | 0 | 923 | 70% | 646 | 0% | 0 | 0 | 646 |
| 40 | 17 | 64109 | 1,170 | n/a | 0 | 0% | 0 | 0 | 1,170 | 100% | 1,170 | 0% | 0 | 0 | 1,170 |
| 42 | 18 | 64110 | 1,607 | n/a | 0 | 0% | 0 | 0 | 1,607 | 100% | 1,607 | 0% | 0 | 0 | 1,607 |
| 44 | 19 | 64111 | 1,862 | n/a | 0 | 0% | 0 | 0 | 1,862 | 100% | 1,862 | 0% | 0 | 0 | 1,862 |
| 46 | 20 | 64112 | 1,267 | n/a | 0 | 0% | 0 | 0 | 1,267 | 100% | 1,267 | 0% | 0 | 0 | 1,267 |
| 48 | 21 | 64113 | 1,735 | n/a | 0 | 0% | 0 | 0 | 1,735 | 100% | 1,735 | 0% | 0 | 0 | 1,735 |
| 50 | 22 | 64114 | 5,209 | n/a | 0 | 0% | 0 | 0 | 5,209 | 100% | 5,209 | 0% | 0 | 0 | 5,209 |
| 52 | 23 | 64127 | 1,984 | n/a | 0 | 0% | 0 | 0 | 1,984 | 30% | 595 | 0% | 0 | 0 | 595 |
| 54 | 24 | 64128 | 2,091 | n/a | 0 | 0% | 0 | 0 | 2,091 | 100% | 2,091 | 0% | 0 | 0 | 2,091 |
| 56 | 25 | 64129 | 1,519 | n/a | 0 | 0% | 0 | 0 | 1,519 | 80% | 1,215 | 0% | 0 | 0 | 1,215 |
| 58 | 26 | 64130 | 4,394 | n/a | 0 | 0% | 0 | 0 | 4,394 | 100% | 4,394 | 0% | 0 | 0 | 4,394 |
| 60 | 27 | 64131 | 3,102 | n/a | 0 | 0% | 0 | 0 | 3,102 | 100% | 3,102 | 0% | 0 | 0 | 3,102 |
| 62 | 28 | 64132 | 1,770 | n/a | 0 | 0% | 0 | 0 | 1,770 | 100% | 1,770 | 0% | 0 | 0 | 1,770 |
| 64 | 29 | 64133 | 6,424 | n/a | 0 | 0% | 0 | 0 | 6,424 | 100% | 6,424 | 0% | 0 | 0 | 6,424 |
| 66 | 30 | 64134 | 2,685 | n/a | 0 | 0% | 0 | 0 | 2,685 | 100% | 2,685 | 0% | 0 | 0 | 2,685 |
| 68 | 31 | 64136 | 413 | n/a | 0 | 0% | 0 | 0 | 413 | 70% | 289 | 0% | 0 | 0 | 289 |
| 70 | 32 | 64137 | 1,660 | n/a | 0 | 0% | 0 | 0 | 1,660 | 100% | 1,660 | 0% | 0 | 0 | 1,660 |
| 72 | 33 | 64138 | 4,431 | n/a | 0 | 0% | 0 | 0 | 4,431 | 100% | 4,431 | 0% | 0 | 0 | 4,431 |
| 74 | 34 | 64139 | 250 | n/a | 0 | 0% | 0 | 0 | 250 | 100% | 250 | 0% | 0 | 0 | 250 |
| 76 | 35 | 64145 | 1,966 | n/a | 0 | 0% | 0 | 0 | 1,966 | 100% | 1,966 | 0% | 0 | 0 | 1,966 |
| 78 | 36 | 64146 | 350 | n/a | 0 | 0% | 0 | 0 | 350 | 100% | 350 | 0% | 0 | 0 | 350 |
| 80 | 37 | 64147 | 4 | Kansas City | 64,910 | 0% | 0 | 0 | 4 | 100% | 4 | 0% | 0 | 0 | 4 |
| 82 | 38 | 64149 | 96 | n/a | 0 | 0% | 0 | 0 | 96 | 100% | 96 | 0% | 0 | 0 | 96 |
| 84 | 39 | 64192 | 1 | n/a | 0 | 0% | 0 | 0 | 1 | 100% | 1 | 0% | 0 | 0 | 1 |
| 86 | 40 | 64734 | 361 | Cleveland | 108 | 100% | 108 | 119 | 242 | 40% | 97 | 100% | 108 | 108 | 205 |
| 87 | | | | West Line | 11 | 100% | 11 | | | | | 0% | 0 | | |
| 88 | 41 | 64746 | 265 | Freeman | 64 | 100% | 64 | 82 | 183 | 0% | 0 | 0% | 0 | 0 | 0 |
| 89 | | | | Lake Annette | 18 | 100% | 18 | | | | | 0% | 0 | | |
| 90 | | | 91,817 | | 105,089 | | 11,318 | 11,318 | 80,500 | | 60,643 | | 9,857 | 9,857 | 70,499 |
| 91 | | | | | | | | | | | | | | | |
| 92 | Rev. 05/2013 | | | | | | | | | | | | RCF/ALF Beds Needed: | | 1,762.5 |

CAPITOL OFFICE

STATE CAPITOL • ROOM 421
JEFFERSON CITY, MO 65101
TELE: (573) 751-6607
JASON.HOLSMAN@SENATE.MO.GOV

DISTRICT OFFICE

P.O. BOX 480572
KANSAS CITY, MO 64145



MISSOURI SENATE

JEFFERSON CITY

JASON HOLSMAN
7TH DISTRICT

COMMITTEES

AGRICULTURE, FOOD PRODUCTION
AND OUTDOOR RESOURCES

COMMERCE, CONSUMER PROTECTION,
ENERGY AND THE ENVIRONMENT

EDUCATION

JOBS, ECONOMIC DEVELOPMENT AND LOCAL
GOVERNMENT

June 7, 2017

Certificate of Need Program
Department of Health and Senior Services
3418 Knipp Drive, P.O. Box 570
Jefferson City, MO 65102

Dear Staff and Committee:

I am writing in support of a plan being considered for the construction of an assisted living facility, in the southwest Kansas City, Missouri area on the northwest corner of Highway 150 and Wyandotte Street in Kansas City, Missouri by the O'Reilly Development Company.

The new development will be a benefit for Kansas City and southwest KC area senior citizens, offering a continuum of care through all stages of the aging process with modern technology to promote wellness. O'Reilly Development has years of experience in several types of housing, including senior, student and affordable housing. The Missouri-based senior housing industry leader, Arrow Senior Living Management, which currently manages properties in Missouri, Ohio, Illinois and Florida, will oversee their day to day operations.

The development and management team is committed to quality, dignified care for Jackson and Cass County area seniors. Known for their innovative, hands-on approach, I am confident they will meet the healthcare needs for our seniors and their families. In addition, O'Reilly Management will be a good economic partner for the greater Kansas City area.

With this approach and commitment by management and the developer, and the benefits to the community in mind, I support their efforts in this application.

Thank you for your prompt and thoughtful consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason R. Holsman".

Jason R. Holsman
State Senator
District 7

CAPITOL OFFICE
State Capitol
201 West Capitol Avenue
Jefferson City, MO 65101-6806
Tele: (573) 751-2175
Fax: (573) 522-0456
E-Mail:
Jack.Bondon@house.mo.gov



COMMITTEES
Financial Institutions
Utilities
Rules - Legislative Oversight

MISSOURI HOUSE OF REPRESENTATIVES
JACK BONDON

State Representative
District 56

June 7, 2017

Certificate of Need Program
Department of Health and Senior Services
3418 Knipp Drive, P.O. Box 570
Jefferson City, MO 65102

Dear Staff and Committee:

I am writing in support of the plan being considered for the construction of assisted living facility, in southwest Kansas City, Missouri area in the northwest corner of Highway 150 and Wyandotte Street in Kansas City, Missouri.

The new development will be a benefit for Kansas City and southwest KC area senior citizens, offering a continuum of care through all stages of the aging process with modern technology to promote wellness. O'Reilly Development has years of experience in several types of housing, including senior, student and affordable housing. Missouri-based senior housing industry leader, Arrow Senior Living Management, which currently manage properties in Missouri, Ohio, Illinois and Florida, will oversee operations.

I know the development and management team is committed to quality, dignified care for Jackson and Cass County area seniors. They are known for their innovative, hands-on approach and I am confident in their ability to bring benefit to seniors, their families, employees and the greater Kansas City area by meeting this healthcare need.

With this approach and commitment by management and the developer, and the benefits to the community in mind, I support their efforts in this application.

Thank you for your prompt and thoughtful consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack Bondon".

Representative Jack Bondon
Serving the People of
Missouri's 56th District

DIVIDER III: Community Need Criteria and Standards

DIVIDER III: Community Need Criteria and Standards

Document the following, if applicable:

1. For ICF/SNF beds, address the population-based bed need methodology of fifty-three (53) beds per one thousand (1,000) population age sixty-five (65) and older.

(not applicable)

2. For RCF/ALF beds, address the population-based bed need methodology of twenty-five (25) beds per one thousand (1,000) population age sixty-five (65) and older.

The population data provided by the Department of Health and Senior Services was included in Divider II. The percentage adjustments by the applicant to accommodate zip code population inside the 15-mile radius were also included in Divider II.

An inventory of existing and approved RCF and ALF facilities inside the 15-mile radius is provided (see *Attachment 10a*), as well as a map showing the location of these facilities (see *Attachment 10b*). Based on this data, there is a 30-bed surplus of RCF/ALF beds in the 15-mile radius for the year 2020 as follows:

$$\text{Unmet Need} = (25 \times P) - U$$

Where:

25 = RCF/ALF need rate per 1,000 population age 65+

P = Year 2015 population in the 15-mile radius

U = Number of existing and approved beds in 15-mile radius

$$\text{Unmet Need} = (0.025 \times 64,693) - 1,647 = 30 \text{ bed surplus}$$

3. Document any alternate need methodology used to determine the need for additional beds such as LTCH, Alzheimer's, mental health or other specialty beds.

Special exceptions apply because the actual market area is the 7-mile radius in which there is a 69-bed unmet RCF/ALF need (see *Attachment 10c*) as the alternative to the 15-mile radius specified by CON. This area has also recently experienced rapid growth.

4. For any proposed facility which is designed and operated exclusively for persons with acquired human immunodeficiency syndrome (AIDS), provide information to justify the need for the type of beds being proposed.

(not applicable)

5. If the project is to add beds to an existing facility, has the facility received a Notice of Noncompliance within the last 18 months as a result of a survey, inspection or complaint investigation? If the answer is yes, explain.

(not applicable)

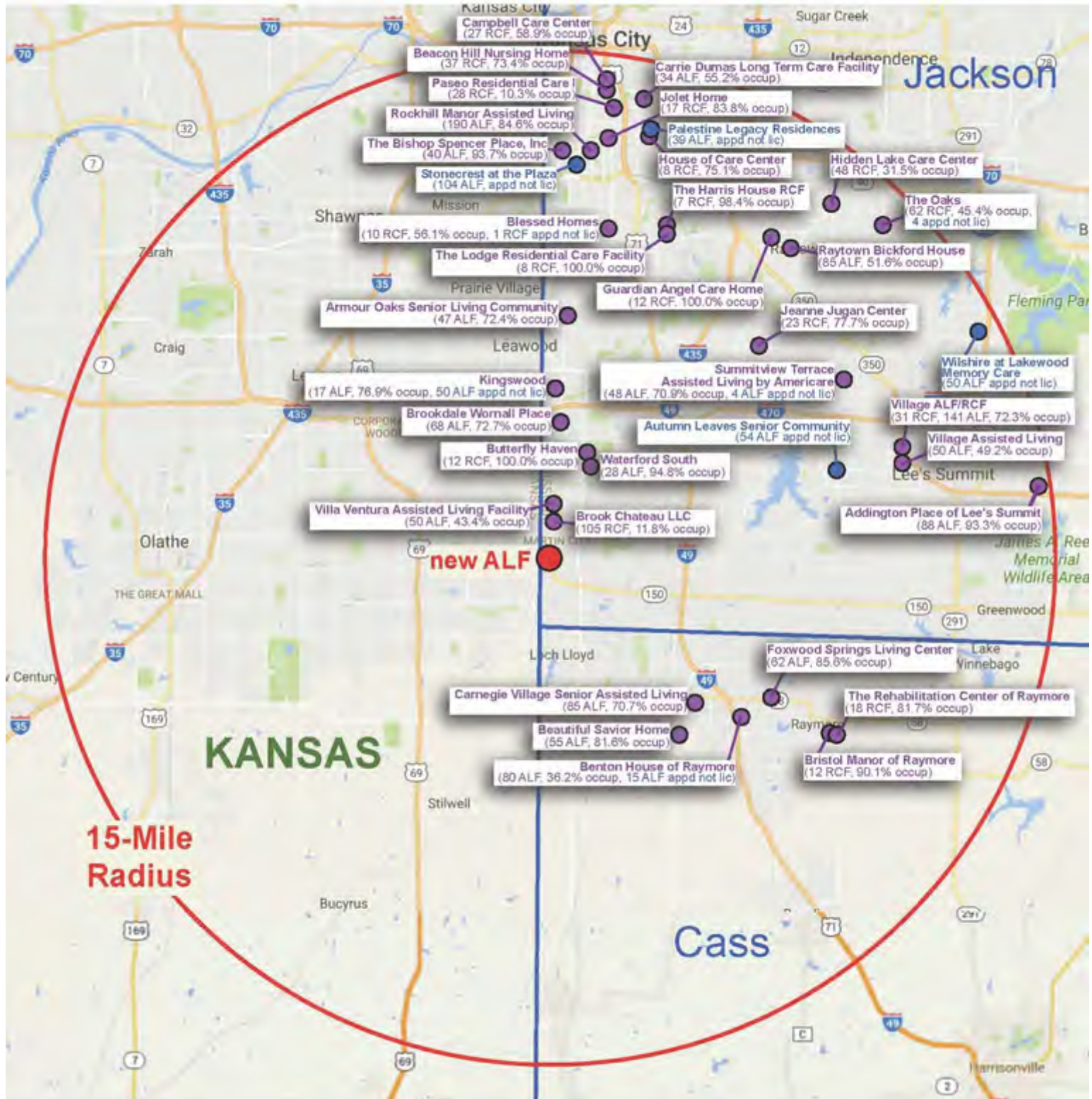
DIVIDER III: Attachments

Inventory of Residential Care and Assisted Living Facilities in the 15-Mile Radius around proposed ALF in Kansas City 64145

| County | Facility Name | Address | City | Zip | ALF | RCF | Total | AVG |
|--------------|---|--|--------------|-------|--------------|------------|--------------|--------|
| Cass | Beautiful Savior Home | 1003 S Cedar St | Belton | 64012 | 55 | 0 | 55 | 81.6% |
| Cass | Carnegie Village Senior Living Community | 103 Bernard Dr | Belton | 64012 | 85 | 0 | 85 | 70.7% |
| Jackson | Addington Place of Lee's Summit | 2160 SE Blue Parkway | Lee's Summit | 64083 | 88 | 0 | 88 | 93.3% |
| Jackson | Wilshire at Lakewood Memory Care | Intersection of Wilshire Dr and NE Meadowview | Lee's Summit | 64064 | 50 | 0 | 50 | 0% |
| Jackson | Autumn Leaves Senior Community | Quarter Mile East of SE Corner of SW 3rd Street & High D | Lee's Summit | 64081 | 54 | 0 | 54 | 0% |
| Jackson | Village ALF/RCF | 1704 Northwest O'Brien Rd | Lee's Summit | 64081 | 141 | 31 | 172 | 72.3% |
| Jackson | Village Assisted Living | 1701 NW O'Brien Road | Lee's Summit | 64081 | 50 | 0 | 50 | 49.2% |
| Cass | Benton House of Raymore | 2100 Johnston Drive | Raymore | 64083 | 15 | 0 | 15 | 0% |
| Cass | Benton House of Raymore | 2100 Johnston Drive | Raymore | 64083 | 80 | 0 | 80 | 36.2% |
| Cass | Bristol Manor of Raymore | 604 East Sunrise Dr | Raymore | 64083 | 0 | 12 | 12 | 90.1% |
| Cass | Foxwood Springs Living Center | 1500 West Foxwood Dr | Raymore | 64083 | 62 | 0 | 62 | 85.6% |
| Cass | Rehabilitation Center of Raymore, The | 600 East Sunrise Dr | Raymore | 64083 | 0 | 18 | 18 | 81.7% |
| Jackson | Beacon Hill Residential Care | 2905 Campbell | Kansas City | 64109 | 0 | 37 | 37 | 73.4% |
| Jackson | Campbell Care Center | 2826 Campbell St | Kansas City | 64109 | 0 | 27 | 27 | 58.9% |
| Jackson | Paseo Residential Care I | 3433 Paseo | Kansas City | 64109 | 0 | 28 | 28 | 10.3% |
| Jackson | Joliet Home | 3920 Forest | Kansas City | 64110 | 0 | 17 | 17 | 83.8% |
| Jackson | Rockhill Manor Assisted Living | 4235 Locust St | Kansas City | 64110 | 190 | 0 | 190 | 84.6% |
| Jackson | Bishop Spencer Place, Inc. The | 4301 Madison Ave | Kansas City | 64111 | 40 | 0 | 40 | 93.7% |
| Jackson | Stonecrest at the Plaza | 4620 JC Nichols Parkway | Kansas City | 64112 | 104 | 0 | 104 | 0% |
| Jackson | Blessed Homes | 305 E 63rd St | Kansas City | 64113 | 0 | 1 | 1 | 0% |
| Jackson | Blessed Homes | 305 E 63rd St | Kansas City | 64113 | 0 | 10 | 10 | 56.1% |
| Jackson | Amour Oaks Senior Living Community | 8100 Wornall Rd | Kansas City | 64114 | 47 | 0 | 47 | 72.4% |
| Jackson | Brookdale Wornall Place | 501 West 107th Street | Kansas City | 64114 | 68 | 0 | 68 | 72.7% |
| Jackson | Kingswood | 10000 Wornall Rd | Kansas City | 64114 | 50 | 0 | 50 | 0% |
| Jackson | Kingswood | 10000 Wornall Rd | Kansas City | 64114 | 17 | 0 | 17 | 76.9% |
| Jackson | Carrie Dumas Long Term Care Facility | 2836 Benton Blvd | Kansas City | 64128 | 34 | 0 | 34 | 55.2% |
| Jackson | House of Care Center | 3744 Benton Blvd | Kansas City | 64128 | 0 | 8 | 8 | 75.1% |
| Jackson | Palestine Legacy Residences | 3640 Benton Boulevard | Kansas City | 64128 | 39 | 0 | 39 | 0% |
| Jackson | Harris House Residential Care Facility, The | 3850 East 50th Terrace | Kansas City | 64130 | 0 | 7 | 7 | 98.4% |
| Jackson | Lodge Residential Care Facility, The | 3960 East 60th St | Kansas City | 64130 | 0 | 8 | 8 | 100.0% |
| Jackson | Butterfly Haven | 11500 Campbell St | Kansas City | 64131 | 0 | 12 | 12 | 100.0% |
| Jackson | Waterford South | 11515 Holmes Rd | Kansas City | 64131 | 28 | 0 | 28 | 94.8% |
| Jackson | Guardian Angel Care Home | 6112 Manning | Raytown | 64133 | 0 | 12 | 12 | 100.0% |
| Jackson | Hidden Lake Care Center | 11400 Hidden Lake Dr | Raytown | 64133 | 0 | 48 | 48 | 31.5% |
| Jackson | Oaks, The | 5550 Noland Rd | Kansas City | 64133 | 0 | 4 | 4 | 0% |
| Jackson | Oaks, The | 5550 Noland Rd | Kansas City | 64133 | 0 | 62 | 62 | 45.4% |
| Jackson | Raytown Bickford House | 9110 E. 63rd Street | Raytown | 64133 | 85 | 0 | 85 | 51.6% |
| Jackson | Jeanne Jugan Center | 8745 James A Reed Rd | Kansas City | 64138 | 0 | 23 | 23 | 77.7% |
| Jackson | Summitview Terrace Assisted Living by Americare | 12101 East Barnister Rd | Kansas City | 64138 | 4 | 0 | 4 | 0% |
| Jackson | Summitview Terrace Assisted Living by Americare | 12101 East Barnister Rd | Kansas City | 64138 | 48 | 0 | 48 | 70.9% |
| Jackson | Brook Chateau LLC | 12940 Wornall Rd | Kansas City | 64145 | 0 | 105 | 105 | 11.8% |
| Jackson | Villa Ventura Assisted Living Facility | 12100 Wornall Rd | Kansas City | 64145 | 50 | 0 | 50 | 43.4% |
| TOTAL | | | | | 1,484 | 470 | 1,954 | |

(information compiled May 16, 2017, based on information acquired from the Department of Health and Senior Services including quarterly licensed (including unavailable beds) occupancy rates for 3Q15 Jul. 1 - Sep. 30, 2015> through 4Q16 <Oct. 1 - Dec. 31, 2016> in right columns. Certificate of Need approved, but not yet licensed, facilities and beds are shown in **bolded-blue** text.

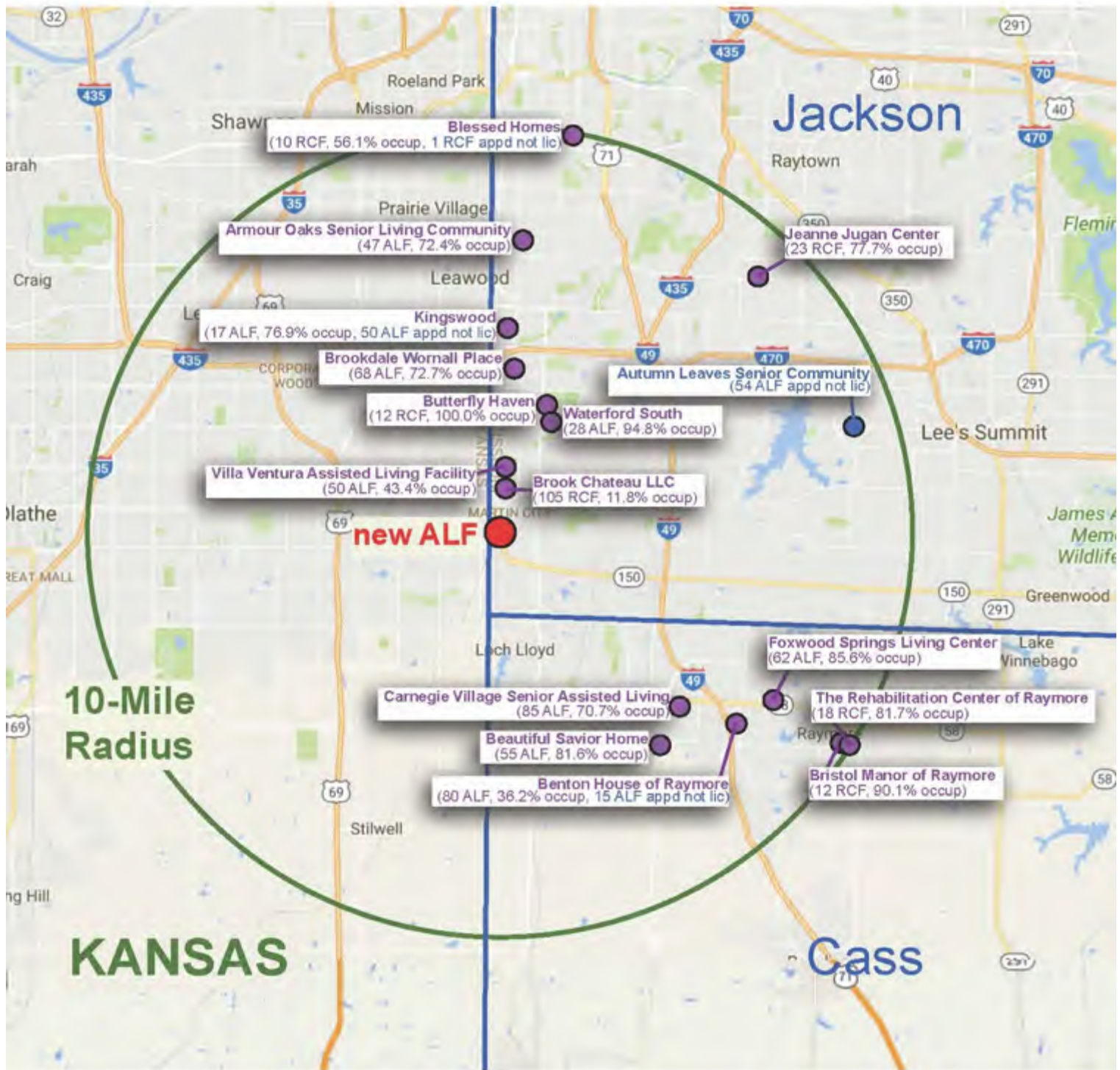
15-Mile Service Area for Kansas City 64145 CON RCF/ALF Need Analysis



new SWKC assisted living facility:

1,762 RCF/ALF need - 1,954 RCF/ALF supply = **192 RCF/ALF surplus**

10-Mile Service Area for Kansas City 64145 CON RCF/ALF Need Analysis



new SWKC assisted living facility:

971 RCF/ALF need - 792 RCF/ALF supply = **179 RCF/ALF bed need**

DIVIDER IV: Financial Feasibility Criteria and Standards

DIVIDER IV: Financial Feasibility Criteria and Standards

Document the following, if applicable:

- 1. Document that the proposed costs per square foot are reasonable when compared to the latest “RS Means Construction Cost data”.**

Actual new construction cost is \$173.72 per square foot (see *Attachment 4c*), which is slightly more than the 3/4 percentile of \$167.08 per square foot for RS Means for the Kansas City area (see *Attachment 11a*).

- 2. Document that sufficient financing is available by providing a letter from a financial institution or an auditors statement indicating that sufficient funds are available.**

A letter of definite interest from the Springfield First Community Bank demonstrates loan commitment, and a letter from Victory Bookkeeping LLC also confirms that adequate unrestricted funds are available to cover the rest (see *Attachments 11b-c*).

- 3. Provide Service-Specific Revenues and Expenses (Form MO 580-1865) for the latest three (3) years, and projected through three (3) years beyond project completion.**

Since this is a new facility, there is are projections for the full years of 2020 to 2022 (see *Attachment 11d*).

4. Document how patient charges were derived.

Charges are based on extensive experience of the Applicant in numerous other long-term care facilities currently in operation in Missouri, and localized for this specific area.

5. Document responsiveness to the needs of the medically indigent.

Because this is a full-function assisted living facility which will not be eligible for public reimbursement such as Medicare or Medicaid, there are other provisions for discounted services. Provisions will be made to allow residents to relocate to more affordable apartments, including the option to share an apartment, and assistance will be provided in securing other benefits to offset rising costs. Third-party providers will be utilized when Medicare or Medicaid services are available per physician order. Residents with limited resources will also be referred to other services who provide indigent care.

Interested persons were also notified of this application via newspaper Public Notice in the June 6, 2017, edition of the Kansas City Star (see *Attachment 11e*).

6. For a proposed new skilled nursing or intermediate care facility, what percent of your admissions would Medicaid eligible on the first day of admission or become Medicaid eligible within 90 days of admission?

(not applicable)

7. For an existing skilled nursing or intermediate care facility proposing to add beds, what percent of your admissions is Medicaid eligible on the first day of admission or becomes Medicaid eligible within 90 days of admission?

(not applicable)

DIVIDER IV: Attachments

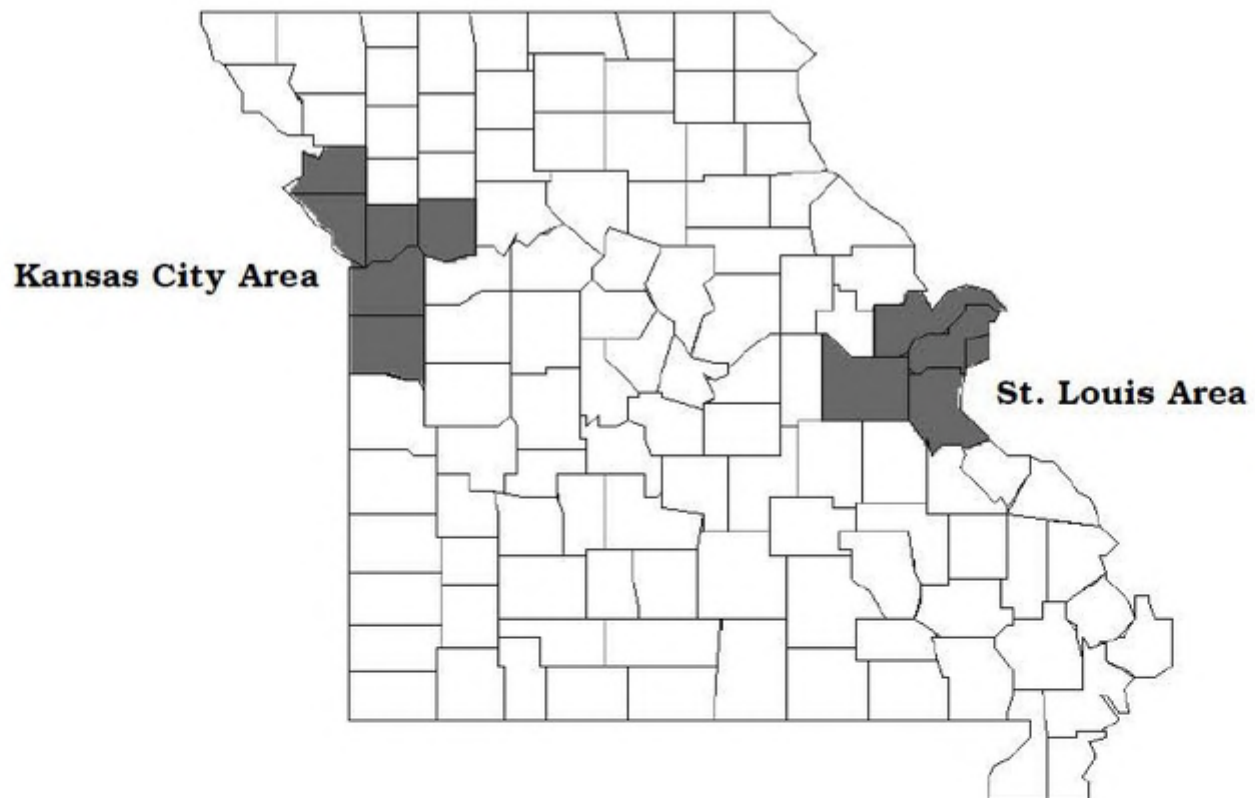
RS Means Cost Data

RS Means Cost Data Percentile Limits Total New Construction Project Costs*

Source: 2017 RS Means Building Construction Cost Data

| <u>Type of Facility</u> | <u>Percentile</u> | <u>St. Louis Area</u> | <u>Kansas City Area</u> | <u>Other Missouri Area</u> |
|---|-------------------|---------------------------|-----------------------------|--------------------------------|
| Hospital | 3/4 | 371.21 | 374.13 | 351.86 |
| Cost Per Sq. Ft. | Median | 366.12 | 369.00 | 347.04 |
| Nursing Home/ Assisted Living Facility** | 3/4 | 165.77 | 167.08 | 157.13 |
| Cost Per Sq. Ft. | Median | 127.13 | 128.13 | 120.50 |

***For 2017, nursing homes and assisted living facilities were combined into one cost per square foot.*



*** Renovation costs should not exceed 70% of total new construction project costs.**

June 15, 2017

Ms. Denise Heintz
O'Reilly Development Co., Inc.
5051 S. National Ste. 7-B
Springfield MO 65810

Re: Proposed Southwest Kansas City location

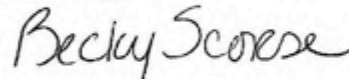
Dear Denise,

Springfield First Community Bank is pleased to offer the following proposed terms for consideration on the financing of your Southwest Kansas City Senior project. Final approval is subject to finalization of plans, specs and costs for project and complete underwriting and approval by loan committee.

Borrower: New Entity
Guarantor: Principals and Trusts (Unlimited)
Loan Amount: \$27,363,066.00 (limited to lesser of 80% of cost or appraised value)
Collateral: First Deed of Trust and Assignment of Rents: (Address to be determined)
Terms: 36 months interest only draw note (construction phase); Interest due monthly
Rate: Wall Street Journal Prime, adjusted daily with a floor of 4.25%
Fees: .50% Loan fee: Borrower to pay all third party fees including but not limited to appraisal, title insurance, recording, attorney, closing and disbursement fees.

We are looking forward to working with you on this exciting project. If you have any questions, or need additional information, please call me at (417)851-5743.

Sincerely,



Becky Scorse
Senior Vice President
Chief Lending Officer

Victory Bookkeeping LLC

PO Box 7993, Naples FL 34101 | 239.351.0988 | mschoessel@gmail.com

June 15, 2017

O'Reilly Development Company LLC

Denise K Heintz

5051 S National, Suite 7B

Springfield MO 65810

Re: SW Kansas City Senior Project

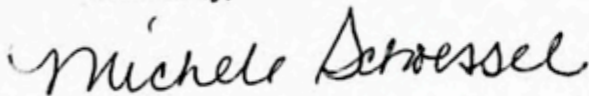
Dear Ms Heintz,

Please consider this letter confirmation that Mr. Patrick E. O'Reilly has adequate funds and assets available to inject the required capital needed for the above referenced project. According to the budget you proposed, the infusion of equity required would be \$6,840,766.

As Mr. O'Reilly's personal bookkeeper for the past 12 years, I can confirm that Mr. O'Reilly does possess adequate funds needed to personally inject into this project.

Please contact me should you have any questions or need further clarification.

Sincerely,



Michele Schoessel

Victory Bookkeeping LLC

**SERVICE-SPECIFIC REVENUES AND EXPENSES****Project Title:** SW Kansas City Senior Community **Project #:** 5488 RS**Historical Financial Data for Latest Three Full Years plus Projections Through Three Full Years Beyond Project Completion**

Use an individual form for each affected service with a sufficient number of copies of this form to cover entire period, and fill in the years in the appropriate blanks.

| | Year | | |
|--------------------------------|---------------------------|---------------------------|---------------------------|
| | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| Amount of Utilization:* | <u>18,676</u> | <u>23,360</u> | <u>24,090</u> |
| Revenue: | | | |
| Average Charge** | \$155 | \$155 | \$155 |
| Gross Revenue | \$2,894,780 | \$3,620,800 | \$3,733,950 |
| Revenue Deductions | 0 | 0 | 0 |
| Operating Revenue | <u>2,894,780</u> | <u>3,620,800</u> | <u>3,733,950</u> |
| Other Revenue | <u>26,475</u> | <u>31,140</u> | <u>31,320</u> |
| TOTAL REVENUE | <u>\$2,921,255</u> | <u>\$3,651,940</u> | <u>\$3,765,270</u> |
| Expenses: | | | |
| Direct Expenses | | | |
| Salaries | 1,201,398 | 1,204,541 | 1,201,295 |
| Fees | 1,041,132 | 1,069,777 | 1,086,340 |
| Supplies | 41,247 | 43,352 | 43,352 |
| Other | 219,957 | 257,109 | 259,049 |
| TOTAL DIRECT | <u>\$2,503,734</u> | <u>\$2,574,779</u> | <u>\$2,590,036</u> |
| Indirect Expenses | | | |
| Depreciation | 447,717 | 447,717 | 447,717 |
| Interest*** | 544,609 | 533,010 | 520,818 |
| Rent/Lease | 0 | 0 | 0 |
| Overhead**** | 24,000 | 24,000 | 24,000 |
| TOTAL INDIRECT | <u>\$1,016,326</u> | <u>\$1,004,727</u> | <u>\$992,535</u> |
| TOTAL EXPENSES | <u>\$3,520,060</u> | <u>\$3,579,506</u> | <u>\$3,582,571</u> |
| NET INCOME (LOSS): | <u>-\$598,805</u> | <u>\$72,434</u> | <u>\$182,699</u> |

*Utilization will be measured in "patient days" for licensed beds, "procedures" for equipment, or other appropriate units of measure specific to the service affected.

**Indicate how the average charge/procedure was calculated.

***Only on long term debt, not construction.

****Indicate how overhead was calculated.

THE KANSAS CITY STAR.

AFFIDAVIT OF PUBLICATION

CYPRESS MEDIA, LLC, publishers of
THE KANSAS CITY STAR, a newspaper
published in the City of Kansas City,
County of Jackson, State of Missouri,
confirms that the notice and/or
advertisement of

O'REILLY DEVELOPMENT CO. LLC
JENNIFER DEAN
5051 S NATIONAL AVE, STE 4-100
SPRINGFIELD MO 65810
25405388

8936006 C

a true copy of which is hereto attached,
was duly published in the above said newspaper

FOR THE PERIOD OF: 1 Day (s)

COMMENCING: June 6, 2017

ENDING: June 6, 2017

STAR EDITION (S):
6/ 6/

VOLUME: #137

Subscribed and sworn to before me,
this Saturday, 17 June, 2017 .

I certify that I was duly qualified
as a Notary Public for the State of
Missouri, commissioned in Jackson
County, Missouri. My commission
expires October 3, 2018.

Vickie L. Holden

Vickie L. Holden
Notary Public - Notary Seal
State of Missouri, Jackson County
Commission #14394648
My Commission Expires October 3, 2018

SW Kansas City Senior
Community plans to estab-
lish a 66-bed assisted living
facility on the west corner
of Missouri Highway 150
and Wyandotte Street,
Kansas City, MO 64145,
pending certificate of need
approval of their
\$12,700,000 application
from the Missouri Health
Facilities Review Commit-
tee. This application (Proj.
No. 5488 RS) will be filed
on or before June 30, 2017.

END of
CERTIFICATE OF NEED APPLICATION

SW Kansas City Senior Community
new 66-Bed Memory Care and Assisted Living Facility

Project #5488 RS

